2017 Annual Report

Minsur S.A.

28-03-2018.

Elaborado por:
AVANZA SOSTENIBLE

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Statement of responsibility

The document hereof provides truthful and sufficient information on the development of businesses of Minsur S.A. in 2017. Notwithstanding the responsibility of the issuer, the signatories are liable for its content pursuant to applicable statutory provisions.

Lima, March 28, 2018

Juan Luis Kruger Sayán	Fortunato Brescia Moreyra
Gerente General	**Presidente del Directorio**

Letter from the President of the Board of Directors

We present our 2017 Annual Report. It has been a year in which we kept on positioning ourselves as a world-class sustainable mining company.

Though this has been a challenging year, due to political instability and economic downturn in the two countries where we conduct our operations, we have proved to have outstanding resilience and planning capacities, which enabled us to continue contributing to the development of both countries.

Throughout the year, we continued to pursue an operational efficiency approach, exceeding our proposed sales target and increasing our output capacity. Two clear examples of this progress are: Pitinga Mine in Brazil, which increased its production to record levels, and San Rafael unit in Peru, which reduced production costs and increased its ore grade.

Furthermore, we continued with our exploration program to ensure our business continuity in the future. Thus, we increased its budget in 80% as compared to 2016 with very satisfying results. Moreover, we met the schedule for the delivery of our expansion projects without major delay: the tailings reuse project B2 started its implementation stage in 2017, and Mina Justa -owned by our subsidiary Marcobre- started its construction stage aiming at starting operations in 2021 after the ramp up in 2020.

It is worth mentioning that since 2013 we had no fatal accidents. Furthermore, we managed to significantly reduce the frequency rate of accidents resulting in loss of workdays in the last five years. These indicators, as well as the awards we have received, show that we are committed to provide a safe workplace for our entire staff, employees and subcontracted personnel. This year, as in previous years, our San Rafael and Pucamarca units were awarded for their safety achievements.

We shall also highlight our commitment with the highest standards of the world mining industry. In 2017, our decision to apply for membership to the renowned International Council of Mining and Metals was a very significant matter. The ICMM is an organization gathering the world's largest and more sustainable mining companies.

The aforementioned increases our expectations and desire to address the challenges we will face in 2018. We invite you to read this report, which offers a sample of all the efforts and dedication we have worked with in 2017.

Finally, I do not want to miss this opportunity to thank our collaborators and their families, our contractors, neighboring communities, suppliers and governments, for their contributions, commitment and positive collaboration throughout the year, which has allowed us to firmly continue in our way towards world-class mining.

Fortunato Juan José Brescia Moreyra

President of the Board of Directors

Letter from the General Manager

Dear shareholders:

It is with great pleasure that I present to you the 2017 Annual Report and the Audited Financial Statements, which summarize the most outstanding events in our company's management, according to the requirements set forth by the Peruvian securities regulator (SMV).

2017 was full of significant challenges for our country; economically, the GDP grew 2.5%, which shows a slowdown in the economic growth experienced in the last three years. This was mainly due to El Niño phenomenon, which had a strong impact on several regions in the country, and mobilized all sectors to take care of this climate emergency. In the foreign environment, the international scenario of metal prices was better than foreseen, though highly volatile, which was good for our business results and for the mining industry in general.

Last year was a very important year for our company. In terms of safety, we achieved our best historical performance; our mining units reduced their accidents resulting in loss of workdays in 40%, with no fatalities, and thus they all received recognition from the Mining Safety Institute (ISEM).

From the operational and financial perspective, our company exceeded the goals set for the year, consolidating our operating management system, increasing productivity and continuing with our efforts to control and reduce costs, which enabled us to improve profit margins in our mining units and to generate enough cash to finance our investments in growth projects.

Thus, good operating results in our units, together with better prices of metals we trade, allowed Minsur S.A. to close 2017 with EBITDA at US$ 250.1 million (51% of EBITDA margin) and a net result of US$ 80.5 million. A significant milestone to highlight is that our subsidiary in Brazil, Mineracao Taboca, reached a record production of tin, as well as niobium and tantalum ferroalloys, based on investments made in 2016 and beginning of 2017 to expand capacity. This resulted in positive EBITDA at US$ 9,3 million this year, thus consolidating the first year with positive EBITDA since we acquired such operation in 2008.

In 2017 we continued focusing on our expansion projects. Thus, the Feasibility Study (DPS) for our B2 project was approved in the third quarter, which represents an investment estimated in $200 million to reprocess old tailings in San Rafael MU. Such project started its implementation stage in the last quarter, and it is expected to start operating at the end of 2019.

Similarly, the DPS for our Mina Justa project was approved at the end of 2017, an investment estimated in $1,500-$1,600 million with high strategic relevance for the company, since it will be our first large scale copper operation. Thus, we will be able to diversify Minsur's production base beyond the tin industry, with a world-class long-lived asset. During 2018's first quarter we expect to complete the project's financing process and detailed engineering, to then start the construction stage towards the end of the year, aiming to start operations by the end of 2020.

2017 was an important year also in terms of replenishment of mineral resources, especially in San Rafael, where our exploration efforts down the mine and in the surrounding areas paid off, calculating mineral resources containing 28,000 tin tons at 1.83% Sn grade. Thus, we were able to replenish exploited resources and also to extend the life of the mine.

In terms of sustainability, in 2017 we consolidated our social and environmentally responsible management in all our units. We did not have any stoppage due to conflicts with the communities and we signed a Framework Agreement with the Antauta Municipality. Minsur's first "work for tax" was completed in Orurillo, and we started water and sanitation works in Antauta. Furthermore, in 2017 we approved Minsur's sustainability strategy. Our social management obtained recognition with the Sustainable Development Award from the National Society of Mining, Oil and Energy (SNMPE) for the *Fibra Emprendedora* Project.

In 2017, we also made significant progress in our talent management, development of our collaborators and our organizational culture. We continued with the *Mina de Talento* program for the development and retention of high-potential professionals identified in our organization. We also conducted the second mapping of our Succession plan for management positions. Moreover, we successfully implemented the first corporate program for Leadership Development "*+Líder*".

Our achievements these years would not have been possible without the invaluable contribution of our shareholders, customers, suppliers and collaborators and, without a doubt, of the communities in the areas where our mining operations are located. We thank them all for supporting our management and for their trust and collaboration.

Juan Luis Kruger Sayán
General Manager

1 The company

Minsur operates in the Mining Sector for over 40 years, and since the beginning it has stood out for its commitment with corporate responsibility and the development of the country. It meets the highest quality and safety standards, uses state-of-the-art technology and abides by the environmental laws into force. Furthermore, in its pursuit of excellence, it has designed special programs to ensure better environmental care and to foster progress in the neighboring communities of the areas where it operates. Based on this philosophy, Minsur has become a sound, successful and internationally renowned corporation.

1.1 Historical overview

Our origin dates back to the beginning of the XX century, when Lampa Mining Company was the only mining company in the Puno region. Decades later, in 1966, Minsur Sociedad Limitada was established from this company. It was the Peruvian branch of Minsur Partnership Limited in Bahamas, which was acquired by the Breca Group in 1977 to transform it in MINSUR S.A., a 100% Peruvian company.

At the moment it was acquired and for some more years, the main product of the now San Rafael MU –back then San Rafael deposit- was copper. It was in 1992, when tin became the only metal produced in such unit, though a few years later this unit extracted copper in a small-scale and temporarily. We also have the Smelting Plant and Refinery (SPR) of Pisco since 1996.

In 2008, through Minera Latinoamericana S.A.C. -in which we are the majority shareholders- we became the main shareholder of Mineração Taboca S.A., company operating Pitinga mine in Brazil, from which tin, niobium and tantalum are mined. Taboca is also owner of the Smelting Plant of Pirapora, in São Paulo. Minera Latinoamericana S.A.C. –through subsidiaries- is also shareholder of Melón S.A., leading company in the production and commercialization of cement, concrete, mortars and aggregates in the Chilean market.

Furthermore, we are majority shareholder of Cumbres Andinas S.A., which owns through subsidiaries –and since 2016- 100% of Marcobre SAC shares, a company developing copper ore project called Mina Justa, located in the district of San Juan de Marcona, in Ica. It is worth mentioning that Cumbres Andinas S.A. is the main shareholder of Compañía Minera Barbastro S.A.C., which has a polymetallic project in Huancavelica, and of Minera Sillustani S.A.C., which has several concessions in Puno region.

1.2 Vision, mission and values

Mission

- Generate value transforming mineral resources in a sustainable manner.

Vision

- Develop and operate world-class mining assets, as a benchmark in terms of safety, operational efficiency, socio-environmental responsibility and people development.

Values

- Safety, excellence, commitment, integrity, responsibility, and confidence.

1.3 Board of Directors and management structure

The Board of Directors is the highest executive body of corporate governance. It is comprised by a President, a Vice-President and five Directors, one of which is independent. Furthermore, we have two Alternate Directors. Their professional career is outstanding and in most cases it is based on their experience in the mining industry.

The members of the Board of Directors have different specializations and skills favoring a plurality of approaches and opinions. It is worth mentioning that the President of the Board of Directors does not have the casting vote.

1.3.1 Minsur Board of Directors

President	Fortunato Brescia Moreyra
Vice President	Alex Fort Brescia
Directors	Rosa Brescia de Fort
	Mario Brescia Moreyra
	Pedro Brescia Moreyra
	Jaime Araoz Medanic
	Miguel Aramburú Álvarez-Calderón
Alternate Directors	Miguel Angel Salmón Jacobs
	Fernando Jose Alegre Basurco

Proposals to form the Board of Directors come straight from the Board of Shareholders, allowing the election of Alternate Directors. Currently, our alternate directors are Miguel Ángel Salmón Jacobs and Fernando Jose Alegre Basurco. A Talent and Compensation Committee has been formed inside the Board of Directors, in charge of reviewing and orienting the Management strategy proposal in these matters, validate performance, development plans and monitoring General Manager's direct reports, among others.

There is also an Audit and Risk Committee comprised by an Independent Director, who chairs it, the President of the Board of Directors and two members of the Breca corporate center. This Committee supervises that the company's internal control system works properly and that the established policies are complied with. It monitors that timely and appropriate measures are taken to address identified and reported risks within the Committee, searches for information on issues, situations and potential risks to propose reviews and/or actions; and assesses the performance, result and compensation of the company’s Internal Auditor. This Committee’s duties will be broadened in 2018 and it shall become the Audit, Risk and Compliance Committee.

On the other hand, our management is led by a General Manager, six directors and a corporate manager. Within this framework we have established a Compliance Committee to safeguard our Code of Ethics and Conduct, and a Crisis Management Committee to prioritize the protection of health, life, the environment, communities, corporate image/reputation, infrastructure, processes and/or equipment, in the event of a situation significantly affecting our operations.

1.3.2 Managers

General Manager	Juan Luis Kruger Sayán
Corporate Project Manager	Yuri Alfredo Gallo Mendoza
Chief Operations Officer	Luis Argüelles Macedo
Director of Corporate Affairs	Gonzalo Quijandría Fernández
Director of Finances	Diego Molina Henríquez
Director of Supply and Systems	Ralph Alosilla-Velazco Vera
Director of Human Resources	Álvaro Escalante Ruiz
Director of Audit	Rafael Salazar Tafur

2 Economic and sectoral context

2.1 2017 Economic environment

The business activity showed an annual growth of 2,5%, within a context of growth of the main developed economies, with a positive impact on the price of commodities. This result was balanced and was supported by better results in most sectors, except for the manufacturing one.

GDP by economic sectors

(Percentage variation of the physical volume index as compared to the same period in the former year)

Sector	2017	2016	2015
Agriculture and livestock	2,6	1,8	3,0
Fishing	4,7	-10,1	15,9
Metal mining	3,2	16,3	9,5
Manufacturing	-0,3	-1,6	-1,7
Construction	2,2	-3,1	-5,8
Trade	1,1	1,8	4,0
Services	3,4	3,9	4,9

Base Year 2007=100. Source: INEI

On the demand side, GDP growth was driven by an increase in private (2,5%) and public (4,4%) consumption, as well as by the good performance of goods and services exports (7,2%) and imports (6,2%).

Inflation, measured by the evolution of the consumer price index of Lima Metropolitana, reached1,4% in 2017; lower than that of former year and within the target range established by the Central Reserve Bank. This reduction responds to a reversal of the impacts on supply caused by the Niño Costero phenomenon, which affected agricultural products in the first quarter.

Regarding public finances, fiscal deficit was 3,2% of GDP, the largest fiscal gap in the last years. Not only current revenues of the Central Government fell, but they also reported their lowest level since 2000 due to deterioration of tax revenues and increasing tax refunds. Capital expenditure fell from 5,4% to 5,2% of GDP.

Deficit in current account of the payment balance has continued decreasing during the year reaching -1,3% of the GDP. This reflects the increasingly higher surplus of the trade balance, which benefitted from the recovery in the terms of trade, a largest mining production and the low dynamism of import demand.

Main macroeconomic indicators

Indicators	Unit	2017	2016	2015
GDP growth rate	%	2,5	3,9	3,3
Growth in domestic demand	%	2,3	1,5	3,1
Fiscal balance	% of GDP	-3,2	-2,6	-2,1
Current account balance	% of GDP	-1,3	-2,8	-4,9
Inflation	%	1,4	3,2	4,4
Exchange rate	S/ per Dollar, end of the FY	3,24	3,36	3,41

Source: BCR.

In the international scope, USA's GDP growth exceeded 2,3%. This growth rate is expected to continue for 2018, driven by the positive impact of fiscal reform and supported by increased private activities and government's infrastructure projects. Similarly, economic growth in the Eurozone reached 2,5%, with a peak in the last decade.

2.2 2017 Sectoral environment

The metal mining sector reached a 3,2% growth, due to higher levels of copper, zinc, molybdenum and iron production, with a slight decrease in other metals.

In particular, copper became the main contributor of growth and it was also driven by higher prices due to forecasts of potential expansion of Chinese economy. In the results obtained, the main producers were Cerro Verde, Las Bambas and Antamina, which contributed to national production in 20,5%, 18,5% and 18%, correspondingly.

Zinc extracted volumes reported good results, with a production 10,2% higher than the previous year. Antamina generated one third of the national production due to a 69% increase, as compared to 2016. Moreover, Milpo contributed 11% of the total volume despite a -9.9% variation, as compared to the former year.

On the other hand, gold production fell to -1.2% after two consecutive years of growth. The two main gold producing regions, La Libertad and Cajamarca, reported lower production volumes, which were partially offset by a higher production in Arequipa.

In the international context, metal prices improved throughout the year, reversing the downward trend of the last four years. The average tin price in 2017 grew at the same rate than the previous year (+12%), stabilizing after the fall in 2015. Similarly, copper, lead and zinc grew 27%, 24% and 38% correspondingly. Gold showed a slight increase (+1%), as compared to 2016, while silver price remained the same.

Mining production growth

(Percentage change) | Base year 2007=100

Sector	2017	2016	2015
Copper	3,9	40,1	23,5
Gold	-1,2	4,2	3,5
Zinc	10,2	-5,9	8,1
Silver	-1,6	6,6	8,9
Molybdenum	9,2	27,8	18,4
Lead	-2,4	-0,4	13,9
Iron	14,9	4,7	1,8
Tin	-5,2	-3,7	-15,6

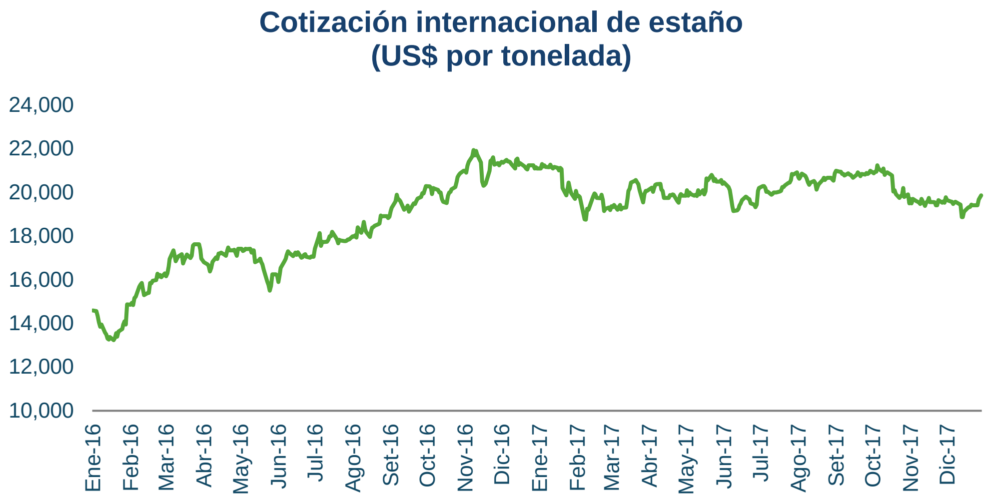
Source: Minem and INEI.

2.3 Market performance in 2017

Tin

The price remained relatively stable after a period of high variability during 2015 and 2016, from a minimum of US$ 18 760/t and reaching a maximum of US$ 21 300/t. Thus, in 2017, the average tin price was US$ 20 103 per ton, 12% above the average price in 2016.

According to the ITA (International Tin Association), the Chinese tin industry is becoming more efficient but they are running out of resources, and production of current operations will remain the same or fall; a similar trend is expected in Indonesia for the medium term. Besides, demand is growing at a slow but stable rate, and a higher consumption is expected in the Chinese chemical industry, which would offset the lower demand from the welding and tinplate industries, which are traditionally the sectors demanding tin.



Gold

Gold started the year at US$ 1 147/oz, recovering after a fall at the end of 2016 and then stabilizing, reaching values close to US$ 1 350/oz. Notwithstanding, in 2017, average gold price was US$ 1 258, 1% above the average price in 2016.

As expected, this year was a period with moments of global uncertainty, which favored gold demand: negotiations between the United Kingdom and the European Union, presidential elections in France, Germany and the Netherlands, and the United States. However, some factors limited gold price increase, such as the changes in monetary policies towards more restrictive positions by the Reserve Banks worldwide.

3 Operating performance

3.1 Mining units and projects

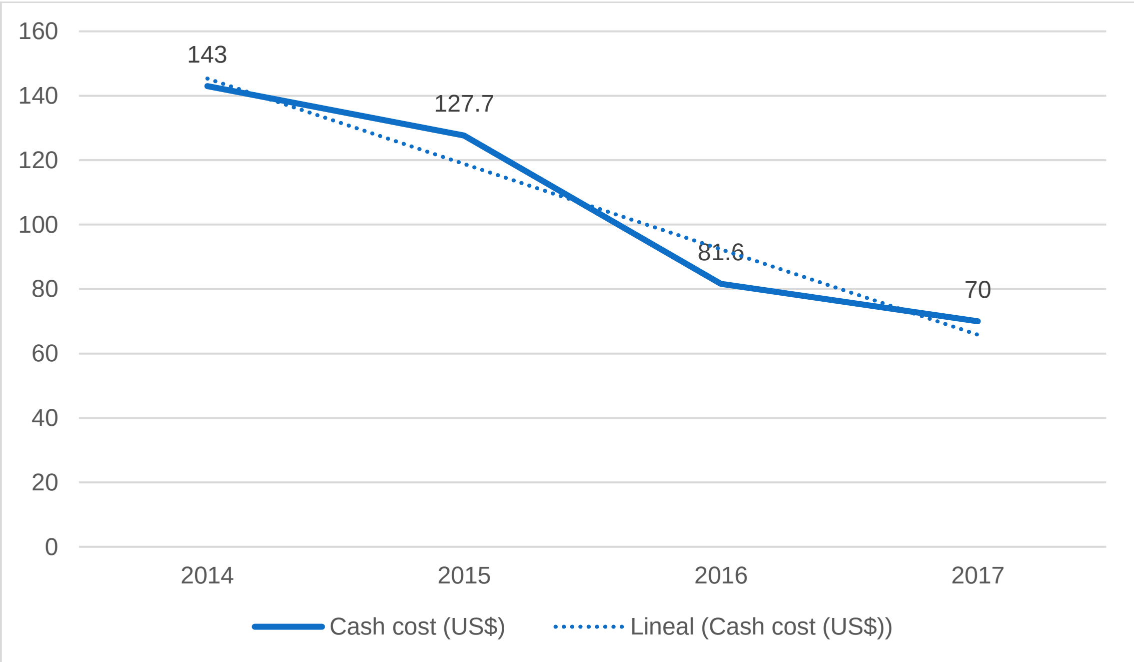
3.1.1 San Rafael MU

2017 was for San Rafael the time to consolidate its safety standards, achieving a historical record with only one accident resulting in loss of workdays in the whole year. Furthermore, this MU stood out for its innovation due to the excellent performance of its "Ore Sorting" pre-concentration plant, which enabled it to work with a pile of low-grade ore.

Production fell 5% as compared to 2016, reaching 17,8 thousand tons of tin contained in concentrates. This was mainly due to a lower tin grade of tin ore fed (1,74% in 2017 *vis a vis* 1,97% in 2016). Notwithstanding, value generation in this MU -in terms of profitability- exceeded that of the former year due to a higher realized tin price.

Cash cost per treated ton was US$ 70, significantly lower than in 2016 (US$ 82/tt), essentially due to productive efficiencies implemented during the year, mainly because of the optimization of the mining plan, as well as an increase of treated tonnage (+19%) with the implementation of the ore-sorting pre-concentration plant.

San Rafael MU: *Cash-cost* per treated ton (US$/tt)



In 2017 we exceeded our metallurgical recovery goals and reduced the annual average dilution.

In this period we invested around US$ 30 million in three main initiatives; the heightening of the tailings dam B3 and the engineering, construction and filling of the great gap – which would allow mining high-grade ore in currently inaccessible areas.

San Rafael MU: Output indicators

Category	Indicator	Unit	2017	2016
Mine	Extracted mineral	t	**1 049 707**	**1 101 190**
	Extracted ore grade	% Sn	**1,52**	**1,69**
	Progress	m	**27 478**	**29 461**
Plant	Treated mineral– Total plants*	t	**1 700 443**	**1 434 808**
	Treated mineral – Concentrator plant	t	**1 101 853**	**1 047 506**
	Treated ore grade	% Sn	**1,75**	**1,97**
	Total recovery	%	**92,16**	**90,87**
	Fine Sn	t	**17 791**	**18 789**
	Plant Utilization	%	**99,62**	**98,96**
Mining nit	Cost per ton treated	US$/tt	**70,0**	**81,6**

* Ore processed to calculate the cash cost per treated ton. It considers: Ore entering for pre-concentration + ore entering for concentration – output of the pre-concentration plant that enters for concentration.

Indicator	Unit	2017	2016
Diamond drilling	m	**40 204**	**39 874**
Resources volume			
Calculated tonnage	t	**1 539 390**	**1 271 243**
Calculated Sn grade	%	**1,83**	**2,27**
Calculated fine Sn	t	**28 134**	**28 891**
Total concentrate produced	t	**46 457**	**40 464**
Total concentrate grade produced	%	**38,30**	**46,44**

San Rafael MU: Mineral Resources and Ore Reserves (December 2017)

	Total	Tons (Mt)			Grade %Sn			Fine content (Kt)		
		Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %
Resources	Measured	4,83	4,57	6%	2,36%	2,40%	-2%	114,0	109,9	4%
	Indicated	4,00	3,67	9%	1,76%	1,63%	8%	70,6	59,9	18%
	Inferred	2,32	2,55	-9%	1,59%	1,75%	-9%	37,0	44,7	-17%
	Total Resources	**11,15**	**10,79**	**3%**	**1,99%**	**1,99%**	**0%**	**221,5**	**214,5**	**3%**
Reserves	Proven	3,50	3,95	-11%	1,92%	1,87%	3%	67,0	73,7	-9%
	Probable	3,27	2,92	12%	1,51%	1,24%	22%	49,5	36,1	37%
	Total Reserves	**6,77**	**6,87**	**-1%**	**1,72%**	**1,60%**	**9%**	**116,5**	**109,8**	**6%**

Notes:

- Mineral Resources are inclusive of Ore Reserves.
- Mineral Resources are defined using a cut-off grade of 0,3% Sn for underground ore and 0,15% Sn for surface stockpile.
- Mineral Resources are estimated using the price US$ 21 500/t Sn, including a US$ 500/t premium for the quality of refined tin.
- Ore Reserves are defined using a cut-off grade of 0,51% Sn for underground ore (varying cut off for 04 different mining situations determined by SRK study), and of 0.18 %Sn for surface stockpile.
- Ore reserves are estimated using the price US$ 20 500/t Sn (a US$ 500/t premium applies for the quality of refined tin).
- Reserves include ore contained in bridges and pillars, which extraction feasibility was defined by a special study conducted by AMEC.
- Mineral Resources & Ore Reserves have been audited by an independent external auditor, STANTEC Consulting International Ltd. (Canada), who concluded that they meet the JORC Code Provisions 2012.

3.1.2 SPR of Pisco

Refined tin production amounted to 18 033 tons, and the biggest challenge was maintaining the campaign duration despite the wear on refractory bricks due to the increase of impurities in the concentrate, mainly silica.

For that purpose, initiatives were developed, such as metallurgical tests with limestone of smaller grain size, automation in batch start-up and operation of the stand-by natural gas burner to improve temperature control in the Ausmelt furnace, thus minimizing the impact of sudden changes on refractory bricks. These strategic initiatives allowed conducting a 12,3-month long campaign.

The cash cost for the period increased from US$ 265/tt to US$ 306/tt due to the smaller processed volume, mainly due to less marginal slag fed during the process.

Our main investments in 2017 (US$ 713 000) focused on improving the Control System hardware, the firefighting system, and changing the necessary equipment for operation sustainability.

Category	Indicator	Unit	2017	2016	2015
Plant	Sn concentrate fed	Kt	46 619	40 335	40 503
	Sn grade in concentrate	%	38,45	46,48	50,2
	Marginal slag fed	Kt	36 792	52 842	39 082
	Sn grade in marginal slag fed	%	1,31	1,31	1,30
	Rotatory furnace slag fed	Kt	1 036	1 069	2 560
	Sn grade in rotatory furnace slag	%	15,28	15,19	15,77
	Refined tin production (1)	Kt	18 033	19 573	20 224
	Recovery	%	98,14	100,86	98,41
	Tin grade waste slag	%	0,61	0,63	0,63
	Smelter utilization	%	90,56	96,93	97,46
	Refinery utilization	%	48,75	46,88	47,35

(1) Includes fine ore content in alloys.

3.1.3 Pucamarca MU

In 2017, Pucamarca consolidated as the country's safest open-pit operation, closing the year with no accidents resulting in loss of workdays.

Production in this period exceeded the 100 thousand gold ounces, in line with the deposit's mining plan. However, production was lower than in 2016, mainly due to lower ore grades.

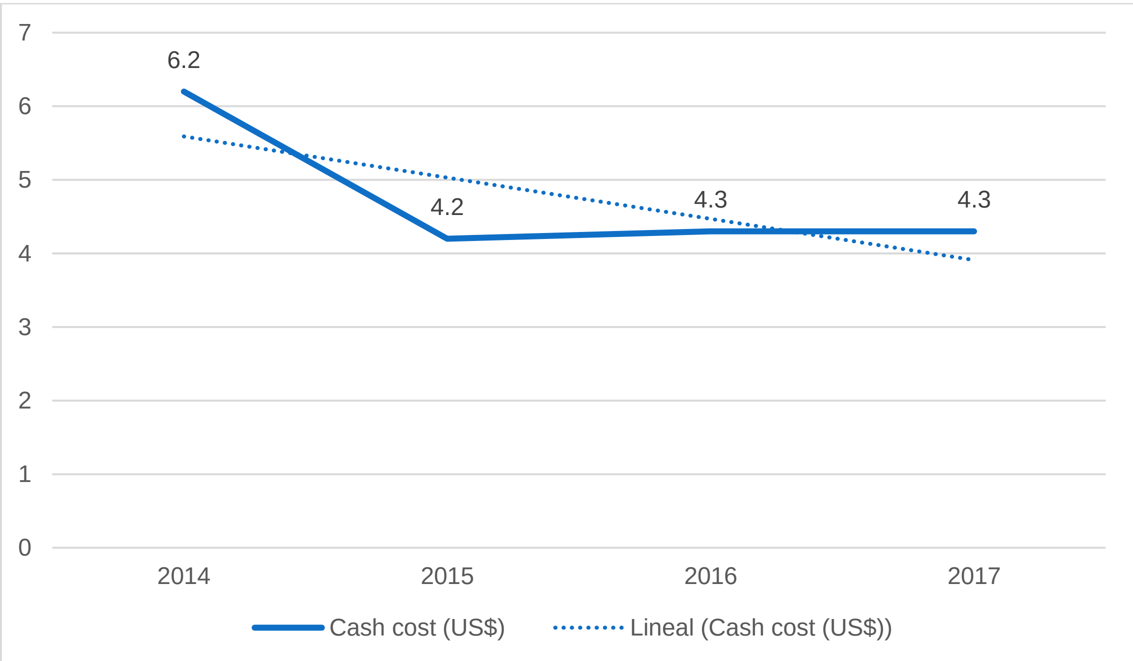
Pucamarca still stands out globally due to its low production costs. The cash cost per treated ton in 2017 reached US$ 4,3 -1% higher in relation to 2016-, while the cash cost per fine ore treated ton was US$ 338. Moreover, production remained at the same level, at 21 000 tpd, meeting the objectives planned.

In 2017 we conducted assessment studies of new water sources, specifically, to confirm if it is feasible to use the Azufre and Ayro rivers and ensure water availability.

On the other hand, the exploration program "Pucamarca Regional" was implemented, which aims at defining potential exploration targets to increase the life of mine.

During this year, investments were mainly focused on building the PAD 3A and landfills.

Pucamarca MU: Cash cost per treated ton (US$/tt)



Pucamarca MU: Output indicators

Category	Indicator	Unit	2017	2016	2015
Mine	Treated mineral	T	**7 715 582**	**7 692 322**	7 970 675
	Extracted ore grade	g/t	**0.5**	**0,5**	0,6
PAD	In-PAD ore	t	**7 801777**	**7 692 322**	7 970 675
	In-PAD ore grade	g/t	**0,5**	**0,5**	0,60
Plant	Gold ounces produced	Oz	**100 010**	**105 659**	120 924
	Historical recovery	%	**75,84**	**74,88**	72,3
	ADR plant utilization	%	**98,01**	**98,01**	98,0
Mining unit	Cost per treated ton	US$/TT	**4,33**	**4,30**	4,2

Pucamarca: Pit constrained Mineral Resources and Ore Reserves (December 2017)

	Total	**Tons (Mt)**			**Au grade (g/t)**			**Fine ore content (Koz)**		
		Dec-17	Dec-16	**Var. %**	**Dec-17**	Dec-16	**Var. %**	**Dec-17**	Dec-16	**Var. %**
Resources	Measured	21,16	27,75	-24%	0,49	0,50	-1%	335,5	445,5	-25%
	Indicated	36,85	46,15	-20%	0,41	0,40	4%	491,4	593,4	-17%
	Inferred	13,01	20,32	-36%	0,28	0,28	0%	116,2	182,1	-36%
	Total Resources	**71,01**	**94,22**	**-25%**	**0,41**	**0,40**	**2%**	**943,1**	**1 220,9**	**-23%**
Reserves	Proven	13,73	19,27	-29%	0,59	0,57	3%	259,3	353,2	-27%
	Probable	22,68	24,46	-7%	0,48	0,48	-1%	348,1	377,4	-8%
	Total Reserves	**36,41**	**43,73**	**-17%**	**0,52**	**0,52**	**0%**	**607,3**	**730,6**	**-17%**

Notes:

- Mineral Resources are inclusive of Ore Reserves
- Mineral Resources are expressed within optimized pit shell limits, corresponding to three areas: Checocollo, Morrenas and Caldero.
- Mineral Resources are defined using a cut-off grade of 0.11 g/tAu for Checocollo, of 0.15 g/tAu for Morrenas and of 0.16 g/tAu for Caldero.
- The Au price to estimate Mineral Resources is US$ 1,400/oz.
- Ore Reserves are only referred to Checocollo and Morrenas; Caldero was excluded due to the need to define the limits of oxide-sulfide areas and their corresponding metallurgical behavior.
- Ore Reserves are defined using a cut-off grade of 0.12 g/tAu for Checocollo and of 0.18 g/tAu for Morrenas.
- The Au price to estimate Ore Reserves is US$ 1,200/oz.
- Mineral Resources and Ore Reserves have been audited by an independent external auditor, STANTEC Consulting International Ltd. (Canada), who concluded that they meet the JORC Code 2012 provisions.

3.1.4 Minera Taboca

In 2016, Minera Taboca restructured its organization, and implemented several projects to improve productivity, which had a positive impact in its results, thus setting in 2017 a record production since Minsur acquired the company. Moreover, no accidents resulting in loss of workdays were reported in Pitinga and Pirapora this year, which is the best safety performance of this operation to date.

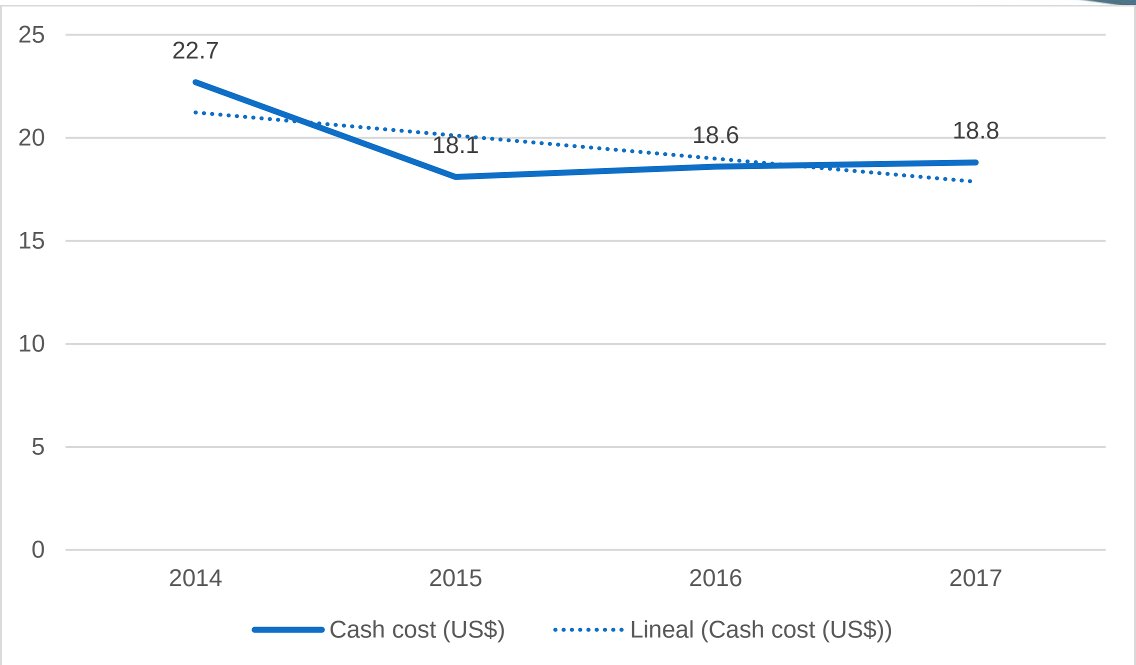
These facts were also reflected in the financial results, since 2017 was the first year in which Taboca has reported positive EBITDA (US$9.3 million) to the company; proving that it can become a profitable company in the short or medium term, after years of net loss.

3.1.4.1 Pitinga MU

The Pitinga MU achieved its highest tin production since it is part of Minsur, with a 2% increase as compared to 2016 production, which was the year of the last record. The cash cost per treated ton was US$ 18,8, that is 1% higher than in 2016, mainly due to a greater use of power generators because of a lower supply by the hydroelectric power plant, caused by scarce rainfall.

Regarding the ferroalloys, we produced 3 252 tons, 15% more than in 2016, mainly due to the expansion of the niobate flotation plant and the ferroalloy smelting plant.

Pitinga MU: *Cash-cost* per treated ton (US$/tt)



Pitinga MU: Output indicators

Category	Indicator	Unit	2017	2016	2015
Mine	Extracted mineral	T	**6 998 528**	**6 384 275**	5 205 409
	Sn grade in extracted mineral	%	**0,20**	**0,20**	0,21
	(NbTa) 205 grade in extracted mineral	%	**0,27**	**0,25**	0,23
Plant (concentration)	Ore treated in concentration	T	**6 675 575**	**6 306 939**	5 399 044
	Sn grade in ore treated in concentration	%	**0,20**	**0,20**	0,20
	(NbTa) 2O5 grade in ore treated in concentration	%	**0,26**	**0,26**	0,24
Plant (tin flotation)	Cassiterite	T	**14 489**	**14 178**	12 257,74
	Sn grade	%	**48,19**	**48,49**	46,86
	Tin content	T	**6 983**	**6 875**	5 744,04
Plant (metallurgy)	Columbite concentrate	T	**8 901**	**4 664**	5 283,12
	(NbTa) 2O5 grade	%	**37,06**	**37,11**	35,52
	Ferroalloys (FeNb, FeTa, FeNbTa) produced	T	**3,119**	**1 840**	2 169,68
	NbTa content grade	%	**50,60**	**51,91**	49,99
Mining Unit	Cost per treated ton	US$/tt	**18,8**	**18,6**	18,1

Pitinga MU: Pit constrained Mineral Resources and Ore Reserves (December de 2017)

	Tonnage	Tons (Mt)			Grade %Sn			Grade % Nb2O5			Grade % Ta2O5		
		Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %
Resources	Measured	105,6	109,7	-4%	0,17	0,17	-1%	0,21	0,21	0%	0,03	0,03	0%
	Indicated	170,7	172,9	-1%	0,12	0,13	0%	0,20	0,20	0%	0,03	0,03	0%
	Inferred	91,8	90,9	1%	0,11	0,11	0%	0,19	0,19	0%	0,03	0,03	0%
	Total Resources	**368,1**	**373,5**	**-1%**	**0,13**	**0,14**	**-1%**	**0,20**	**0,20**	**0%**	**0,03**	**0,03**	**0%**
Reserves	Proven	97,9	96,5	2%	0,18	0,18	-3%	0,21	0,21	0%	0,03	0,03	0%
	Probable	117,6	113,8	3%	0,14	0,14	-2%	0,20	0,20	-1%	0,03	0,03	0%
	Total Reserves	**215,5**	**210,3**	**2%**	**0,16**	**0,16**	**-2%**	**0,21**	**0,21**	**-1%**	**0,03**	**0,03**	**0%**

Pitinga MU: Content of fines in Mineral Resources and Ore Reserves

	Tonnage	Tons (Mt)			Content of fines Sn (Kt)			Content of fines Nb (Kt)			Content of fines Ta (Kt)		
		Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %	Dec-17	Dec-16	Var. %
Resources	Measured	105,6	109,7	-4%	180,3	189,7	-5%	219,6	228,5	-4%	29,6	31,0	-5%
	Indicated	170,7	172,9	-1%	212,7	216,2	-2%	337,8	342,2	-1%	46,4	47,0	-1%
	Inferred	91,8	90,9	1%	100,9	100,1	1%	177,9	175,9	1%	24,6	24,3	1%
	Total Resources	**368,1**	**373,5**	**-1%**	**493,9**	**506,0**	**-2%**	**735,4**	**746,6**	**-2%**	**100,6**	**102,3**	**-2%**
Reserves	Proven	97,9	96,5	2%	173,0	174,9	-1%	205,2	202,6	1%	27,6	28,0	-1%
	Probable	117,6	113,8	3%	164,9	163,0	1%	236,9	231,0	3%	32,4	31,9	2%
	Total Reserves	**215,5**	**210,3**	**2%**	**337,9**	**337,9**	**0%**	**442,1**	**433,6**	**2%**	**60,0**	**59,9**	**0%**

Notes:

- Mineral Resources are inclusive of Ore Reserves
- Mineral Resources are constrained to optimized pit shell limits with the parameters and costs of the LOM 2017.
- Mineral Resources and Ore Reserves have been calculated with a NSR cut-off of US$ 10.87
- The Sn price used to estimate Mineral Resources is US$ 21,394/t (a US$ 394/t premium for the refined Sn quality), and for FeNb and FeTa the price is US$ 20,000/t each.
- The Sn price used to estimate Ore Reserves is US$ 20,394/t (a US$ 394/t premium applies for the refined Sn quality), for FeNb and FeTa the price is US$ 16,000/t each.
- Mineral Resources and Ore Reserves have been audited by an independent external auditor, STANTEC Consulting International Ltd. (Canada), who concluded that they meet the JORC Code 2012 provisions.

3.1.4.2 SPR of Pirapora

The safety campaigns that started in 2016 continued in 2017, and as a result there were no accidents resulting in loss of days. Refined tin production in Pirapora grew by 12%, as compared to the previous year, due to a larger volume of processed concentrate received from Pitinga.

SPR of Pirapora: Output indicators

Category	Indicator	Unit	2017	2016	2015
Plant	SN concentrate fed – cassiterite	T	**14 182**	**13 122**	12 665
	Ore grade % in cassiterite	%	**47**	**46**	46
	Concentrate in slag fed	T	**6 568**	**5 595**	2 003
	Sn grade % in marginal slag concentrate	%	**18**	**18**	22
	Sn Recovery	%	**83**	**83**	89
	Refined Sn production	T	**6 582**	**5 873**	5 525

3.1.5 Tailing Reuse Project B2

In 2017 we took the necessary actions to properly plan the B2 Project's development, which is essential for San Rafael MU, and the following milestones were achieved:

- The feasibility study was approved and the implementation stage began
- There were no accidents resulting in loss of workdays
- The project includes 7 600 000 MT of tailings, with a 1,05% tin grade and will contribute to produce 45 000 tons of fine tin, during a life of mine of approximately nine years.
- We expect the concentrator plant B2 to start operating by the end of 2019.
- According to the feasibility study, Ore Reserves were calculated for this project for the first time.

Project B2: Mineral Resources and Ore Reserves (December 2017)

	Tonnage	Cutoff grade (% Sn)	Tons (Mt)	Grade %Sn	Content of fines (Kt)
Resources	Measured	0,30%	3,89	1,10%	42,82
	Indicated	0,30%	3,70	1,00%	37,11
	Inferred	0,30%	0,10	1,33%	1,29
	Total Resources	**0,30%**	**7,69**	**1,06%**	**81,23**
Reserves	Proven	0,44%	3,91	1,08%	42,22
	Probable	0,44%	3,71	0,98%	36,32
	Total Reserves	**0,44%**	**7,62**	**1,03%**	**78,54**

Notes:

- Data for estimating Mineral Resources was obtained through sonic and rotating drilling.
- The Sn price used to estimate Mineral Resources is US$ 21,500/t (a US$ 500/t premium applies for the refined Sn quality)
- The Sn price to estimate Ore Reserves is US$ 20,500/t (a US$ 500/t premium applies for the refined Sn quality)
- A 2.3% dilution factor for Sn grade and a 2% loss factor for mine recovery were applied to calculate Ore Reserves.
- 8,400 ore tons of 0.72 %Sn have been taken off for commissioning.
- Mineral Resources have been audited by an independent external auditor, STANTEC Consulting International Ltd. (Canada), who stated that they meet the JORC Code 2012 provisions.

3.2 Explorations

Our mining concession portfolio extends in 246 008 hectares, out of which 188 410 hectares are exploration mining properties. In 2017 we made progress in exploration in the two main tin projects identified during the 2014-2015 campaigns in Puno department in southern Peru, as part of our strategic growth.

1. **Nazareth project**: The Nazareth Stage 2 infill drilling program started in February 2017, aiming at transforming inferred resources, which were defined with Stage 1 Infill Drilling in 2015-2016, into indicated and measured resources. The second infill diamond drilling campaign Nazareth Stage 2 includes 65 000 meters, using directional diamond drilling, additional metallurgical tests, as well as geotechnical and hydrogeological studies required for the project's development. Directional diamond drilling works were completed in May 2017, and the additional studies –including resource update- were completed in July 2017.

Explorations: Mineral Resources

(February 2017)

Classification	Zones	Cut-Off	Volume	Grades					TMF
		Sn (%)	Mt	Sn %	Zn %	Pb %	Cu %	Ag g/t	Sn
Inferred	V. Nazareth	0,67	4,8	1,52	1,16	0,38	0,66	56,99	73 000
	8 Splits	0,67	3,5	1,46	0,15	0,03	0,52	*15,92*	51 000
Total Inferred	**V. Nazareth + 8 Splits**	**0,67**	**8,3**	**1,50**	**0,73**	**0,24**	**0,60**	**39,65**	**124 000**

2. In our advanced tin project, **Santo Domingo,** we continued explorations with a new diamond drilling campaign of 27 533 meters. This campaign had promising results, focusing works on two vein systems with the highest exploratory potential: Pucara system and Santo Domingo system. Drilling intercept density –in some parts of the project- will allow us defining inferred and geological potential resources in the second quarter of 2018.

3. In the regional project "**Quenamari"**, which includes the whole tin-producing district of San Rafael mine and the Nazareth Project, we conducted a series of field studies in 2017, which included detailed geological mapping, geochemical sampling and a

traditional diamond drilling of 5 067 metros, with the purpose of researching the geological potential of new targets in San Rafael district with positive results.

4. Explorations in Mina Marta copper project, conducted by our subsidiary Compañía Minera Barbastro S.A.C, continued with an intense campaign re-logging drill cores of former campaigns, and with the preparation and sequential analysis of 6 225 samples of copper drill cores. In September 2017 we started an additional infill diamond drilling campaign of 7 512m, aiming at laterally closing the ore body in the southwestern area of the deposit. For 2018, we have planned an additional infill diamond drilling campaign in the central area of the deposit in order to transform current inferred resources into indicated and measured resources.

5. Moreover, in **Mina Justa**, owned by our subsidiary Marcobre S.A.C. we continued with an intense brownfields exploration campaign with a detailed recognition of 200% of our mining properties, adding 60 275 hectares in 83 concessions. We completed the geochemical sampling (2 857 rock samples); IP-DAS geophysical studies over 9km^2; 4 646m of RC drilling and 4 622m of traditional diamond drilling. The program generated 7 possible targets with high exploratory potential for IOCG-type mineralization similar to that of Mina Justa. In 2018, we will continue the brownfields program, expanding the current geophysical prospection reach, as well as the additional diamond drilling campaigns in the exploration targets generated in 2016-2017.

At the same time, we continued with our regional exploration program to assess our mining properties, aiming at clearing and renewing at least 10% of our portfolio each year, and thus identifying new targets for more advanced exploration programs. In parallel, third-party copper and gold projects were assessed in Peru and abroad, aiming at expanding our operations' territorial reach and continuing with the commodities diversification process.

As of December 31, 2017, we drilled a total of 93 601 meters from the surface in exploration projects, which represents a historical record for Minsur. Out of the total drilling works, 73 900 meters were drilled in projects located in a 25 km perimeter around San Rafael mine, 16 780 meters in the Mina Marta and Mina Justa projects and 2 921 meters in the neighboring areas of our Pucamarca gold mine, in Tacna department. Our investment in these projects amounted to US$ 33 million.

A total of 85 000 meters of diamond drilling is estimated for 2018 in all projects of Minsur and its subsidiaries. The main focus shall be the development of tin projects in San Rafael district and our two main copper projects: Mina Justa y Mina Marta.

3.3 Human Resources

Human Resources works to strengthen human capital performance through a strategy that reflects the significance of the three following components:

- **Meritocracy and talent**: attracting, developing and retaining the best talent, in line with our business' current and future requirements, as included in the Strategic Plan. Thus, we also seek to provide the organization with sustainability, giving leadership positions to competent talent that is in line with our corporate values and leadership model.
- **Culture**: Implementing a culture that supports the business strategy, within the framework of our values and based on the respect for the rights of our collaborators.
- **Leadership**: identifying current and potential leaders, training and developing them, so that they help Minsur to achieve its great objective of becoming the first world-class Peruvian mining company.

Minsur staff

Category	2016		2017	
	Permanent	Temporary	Permanent	Temporary
Employees	353	17	312	15
Officers	45	0	65	0
Workers	838	1	762	60
Subtotal	1 236	18	1 139	75
Total	**1 254**		**1 214**	

Talent attraction

Our Attraction and Selection Policy governs the means to attract the best talent for our operations. The Human Resources Department has two programs for this purpose:

- **Moving opportunities,** which fosters internal promotion when job positions open up. In 2017, 25 collaborators received this promotion.
- **Talent attracts Talent,** which attracts people referred by our own collaborators for open recruitment processes.

The hiring process is exclusively based on the job position requirements. Furthermore, promotions are processed considering job performance, always considering equal opportunities, diversity and respect. No form of discrimination shall be tolerated, since our purpose is finding the best talent regardless of their sex, gender, origin, race or age.

There is a preference for local employment, candidates from communities located nearby our operation units and projects that will contribute to local economic development. The corporate standard and procedure for hiring local employees prioritizes people from the areas of influence for the non-qualified and semi-qualified job opportunities. In the event that it is not possible to hire local workers, the corresponding department shall justify such situation.

Merit-based and competitive salaries

A fair salary is a significant factor to build a well-motivated and satisfied workforce. Our Compensation Policy ensures that all collaborators receive a competitive wage.

We conduct an annual assessment of our collaborators' performance, and the level of compliance with their individual objectives is validated (goals guiding the collaborator, which are related to the business strategy), as well as their competences (behaviors and soft skills). Each collaborator's final assessment is comprised by four sub-stages:

i. **Self-assessment**: a self-assessment made by the collaborator based on objectives met.

ii. **Evaluation by the direct supervisor**: validation of self-assessment by the direct supervisor, as well as a 360-degree assessment of his/her competences by his/her hierarchical supervisor, matrix supervisor, peers, direct reports and/or internal customers.

iii. **Calibration**: review of preliminary scores, comparing them with other management or unit members.

iv. **Final qualification and feedback**: leaders receive the final calibrated score of their direct reports and with that it gives them feedback on their performance.

Work environment

As part of our continuous improvement process, every year we assess our collaborators' level of satisfaction in relation to their work environment and their relationship with Minsur in general, using a survey that includes questions related to their work schedule, workload, collaborators' autonomy and satisfaction with their jobs, among others. Moreover, surveys are reviewed and updated annually aiming at improving and adjusting them to our collaborators' needs. It is worth mentioning that in 2017 we adjusted the survey to the leadership competences mentioned above.

Thanks to the measures taken in 2017, to improve the work environment, our collaborators' general satisfaction grew 3.2%, reaching 71,4%. 87% of our collaborators in Peru and Brazil participated in this survey. This result encourages us to continue implementing actions to strengthen our work environment and steer employee motivation.

Job Satisfaction 2017 vs 2016

Unit	2016	2017
Smelting plant	77,4%	78,9%
Lima	72,9%	78,3%
Pucamarca	79,0%	74,1%
San Rafael	57,1%	65,0%
Weighted average	**68,2%**	**71,4%**

3.4 Social management

Minsur mission is focused on generating sustainable value transforming mineral resources. From the viewpoint of social responsibility, value generation involves both the company and also the communities located in the areas of influence of our operations and projects. Thus, Minsur has a social management strategy supported by the three pillars mentioned below:

1. **Effective relationship-building.**
   It aims at engaging neighboring communities in a legitimate and sustainable social interaction model, to generate development opportunities for the community and the company. Before mining operations start, trust relationships are build through transparent dialogue and respect for local culture and the environment.

2. **Social investment.**
   Minsur contributes to the sustainable development of neighboring communities, promoting local capacities from a gender, social inclusion and intercultural perspective, taking into account specific needs of each community with which it interacts. Moreover, it promotes institutional and local governance strengthening, working under a multi-actor approach (State-community-company).

3. **Social impact management.**
   Through our relationship-building and social investment activities we constantly monitor social impacts that could be generated with a prevention, mitigation and timely response approach.

At a corporate level, social management correspond to the Direction of Corporate Affairs. The Social Management Director supervises and provides orientation to social management teams of each operating unit and exploration project in Peru, which directly interact with the communities and local authorities in the areas of influence. Moreover, the Social Management supervisor, also at a corporate level, supports actions to supervise and guide the teams on the field.

For our operations in Brazil, we decided not to have a special team for social management due to the limited interaction with the neighboring community to our operations, the type of stakeholders, and the associated risks. In this case, social management is in charge of environmental teams, led by the Sustainability Manager of our subsidiary Taboca.

Main programs and projects

Line of investment	Project or Program	Location	Beneficiaries
Economic-Productive Development and Education	"Fibra emprendedora" (Fiber entrepreneurship) to add value to artisanal textile activities	San Rafael MU	70 high-Andean women from neighboring communities.
	Increased income for milk and cheese producing families	San Rafael MU	426 livestock breeders of San Juan and Larimayo basins.
	Enhancement of livestock breeding conditions through livestock fences	San Rafael MU	600 livestock breeders of the San Juan and Larimayo basins.
	Enhancement of livestock breeding conditions by building barns	San Rafael MU	450 livestock breeders of Antauta basin.
	Enhancement of irrigation activities for pasture production by building a reservoir (5,200m3)	Pucamarca MU	100 livestock breeders of the Palca community.
	Strengthening of the guinea pig productive chain	Pucamarca MU	30 members of the *Club de madres* (Mothers' club) of the Vilavilani community.
	Manufacturing of jewelry "Sumaq Maqui"	Pisco MU	29 entrepreneurs with different skills and low income
Health and Nutrition	Strengthening of the comprehensive development of early childhood "SAMI"	San Rafael MU	Girls and boys under 3 years of age of Antauta and Ajoyani districts
	Improving living conditions with warm houses "Kusiscca Tiakuy"	Santo Domingo Project	20 families of shepherds of CAP Huaycho, Nuñoa.
	Construction of lodging facilities at a communal location (24 rooms)	Pucamarca MU	180 registered members of the Palca community.

Line of investment	Project or Program	Location	Beneficiaries
Education	Comprehensive scholarship program for technical education	San Rafael MU	35 youths, men and women, who received a scholarship to study at SENATI and 18 youths, men and women, who received a scholarship to pursue livestock breeding studies at the Universidad Nacional del Altiplano in Puno.
	Internship program	San Rafael MU	14 youths from Antauta and Ajoyani, men and women, graduated with a technical or university degree.
Works for taxes	Installation of potable water service and latrines	San Rafael MU	Cuchuccpujio peasant community, Orurillo district, Melgar province, Puno department.
	Enhancement and expansion of basic sanitation services	San Rafael MU	3 686 residents of Antauta district.

Up to 2017 the company invested over US$ 2,5 million in works for taxes. Despite having experienced some delays in their implementation and delivery, this mechanism will continue facilitating and speeding up investments in the country's public infrastructure. According to the schedule of approved works, in 2018 Minsur's plans to significantly increase investment in this type of works.

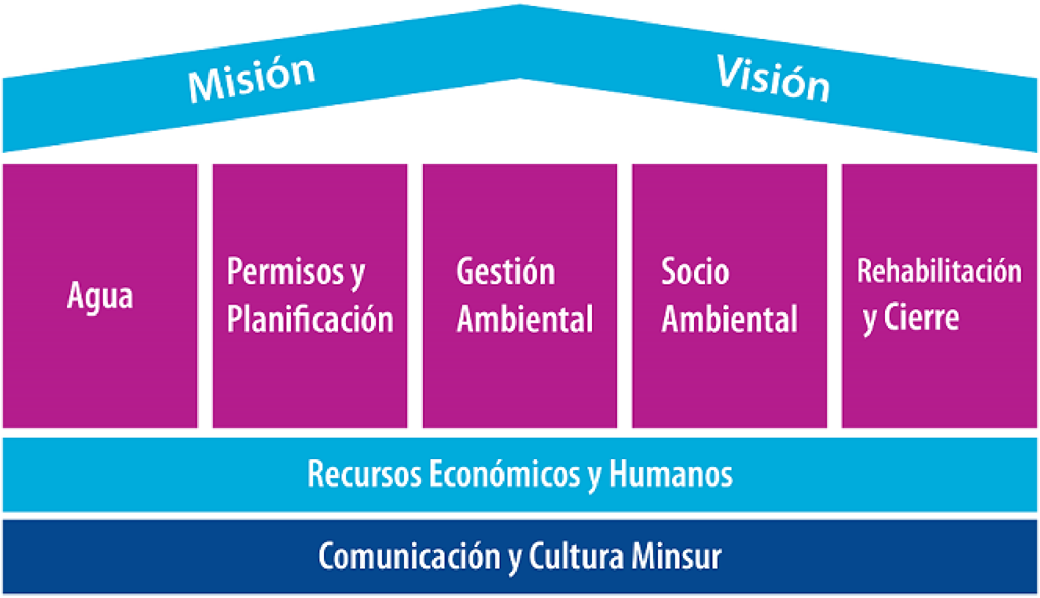
3.5 Environmental management

Our units in Peru have received the ISO 14001 certification, which is an international certification that provides the structure required to identify and mitigate any environmental impact. In Brazil, only Pirapora unit has received such certification and Pitinga MU is in line with it.

Minsur's Environmental Management System (EMS), which applies to all mining operations and projects, was designed based on ISO 14001 requirements, which guarantee an optimum environmental management at all Minsur units.

Our EMS has 11 management standards and 14 operating standards, which shall be applied by the entire staff (employees and contractors). The EMS ensures that the best environmental management practices are followed and legal requirements are met in all development stages of the company's mining projects.

Minsur Environmental Management System



Water

We seek to reduce the amount of water consumed by our operations, managing it efficiently. This has been included in all units' infrastructure design. At Pucamarca MU, for instance, water consumption is minimum, since 100% of water is re-circulated in a closed-circuit production system.

Furthermore, in all our units a great part of water is reused and recycled, and different saving initiatives are implemented. It is worth mentioning that hydrogeological studies were developed at all units to know the water potential of working areas.

Throughout 2017, Minsur withdrew 5 029 136,5 thousand m3 of water in total, 25% of which was reused and recycled.

On the other hand, the environmental staff of our operating units controls water quality through periodical monitoring exceeding the environmental authorities' requirements. For instance, water quality of lagoons and other bodies of water outside the assigned environmental impact assessment area is monitored.

In addition, participatory monitoring is conducted in Pucamarca MU in coordination with neighboring communities; so that they get to know and verify water quality measurement results directly. It is worth mentioning that none of the water sources used is located in any protected area, and they were not significantly or negatively affected.

Effluents

San Rafael and Pitinga units generate industrial effluents, which are permanently monitored pursuant to our company's environmental management plans and the maximum permissible limits (MPL), meeting current environmental quality standards (EQS) into force in Peru and Brazil. In 2017, these units generated 7 941 348,60 m^3 of effluents in total. All effluents were treated before being discharged, thus discharges were suitable for irrigation and recreational purposes, depending on the operation, and thus they were harmless for the natural environment. Moreover, it is worth noticing that no effluents were reused by any other organization. Pucamarca MU did not produce any effluents, since this unit operates under a permanent water re-circulation system.

It should be noted that infrastructure in all our units and plants is protected against any contingencies. Moreover, all our units and plants have contingency and emergency plans to address any type of environmental incident. There were no spills in 2017.

Effluent type	Volume (thousand m3/per year)					
	San Rafael MU	Pucamarca MU	Pisco MU	Pitinga MU	Pirapora MU	Total
Industrial effluents	7 938,20	0	0	7 458 214	0	7 466 152

Domestic effluents	26,2	0	10,5	475 000	9.7	475 196,40
Total	**7 964,40**	**0**	**10,5**	**7 933 214**	**9.7**	**7 941 348,60**

Waste

Operating standards for solid waste management, tailings management, waste management, chemical substance management, and hydrocarbon management establish the guidelines for their responsible management and disposal. Throughout 2017, our units generated 2 962,28 waste tons in total, which were disposed using one or more of the following techniques: recycling, reuse, composting, incineration and landfills, depending on the type of waste.

Minsur works under the premise that waste reuse, recycling or composting shall be prioritized. In 2017, we reused 37.6% and recycled 17.8% of them. Throughout the year, San Rafael MU started composting pilot test to also apply this disposal technique to a part of its waste. In the case of Pirapora MU, a part of its non-hazardous waste was donated to cooperatives to be recycled, aiming at contributing to employment and income generation for workers who depend on recyclable waste.

Type of waste	Weight (t/year)					
	San Rafael MU	Pucamarca MU	Pisco MU	Pitinga MU	Pirapora MU	Total
Hazardous Waste	380,80	101,08	27,82	153,1	3,01	667,34
Non-hazardous waste	1 573,49	243,51	183,50	222,07	68,99	2 294,95
Total	1 954,29	344,59	211,32	375,17	72	2 962,28

Rehabilitation and closure

All our operating units in Peru have mine closure plans approved by the competent authorities. Though in Brazil it is not legally mandatory for mining companies to present a closure plan in advance, our units in this country also have them.

In each unit there is an environmental supervisor, responsible for implementing mine closure works, who directly coordinates with the corporate supervisor for rehabilitation and mine closure, in charge of supervising appropriate compliance with these plans and the laws into force. Moreover, he/she validates appropriate implementation of operational standards for rehabilitation and mine closure. To assess and quantify mine rehabilitation, we work with independent environmental experts.

In both countries, we work hand in hand with local communities for biodiversity conservation, and we raise awareness among collaborators and contractors on endangered species living nearby our operations.

3.6 Occupational health and safety

Minsur promotes day by day a ZERO ACCIDENT culture, and provides safe workspaces so that all workers –once they have completed their job- go back home in the same health and physical conditions they had when they left home.

Being aware of the hazards of mining activities, which could have a serious impact on workers' life and health if they are not eliminated, controlled or mitigated, Minsur has an occupational health and safety management system since 2011, based on the OHSAS 18001 standard, the best occupational health, hygiene and safety practice of world-class mining companies, and legal provisions on occupational health, hygiene and safety applicable to their activities, all of that focused on visible leadership, behavior enhancement and risk control for critical activities through 21 safety operational standards developed for our operations.

Certification and safety performance

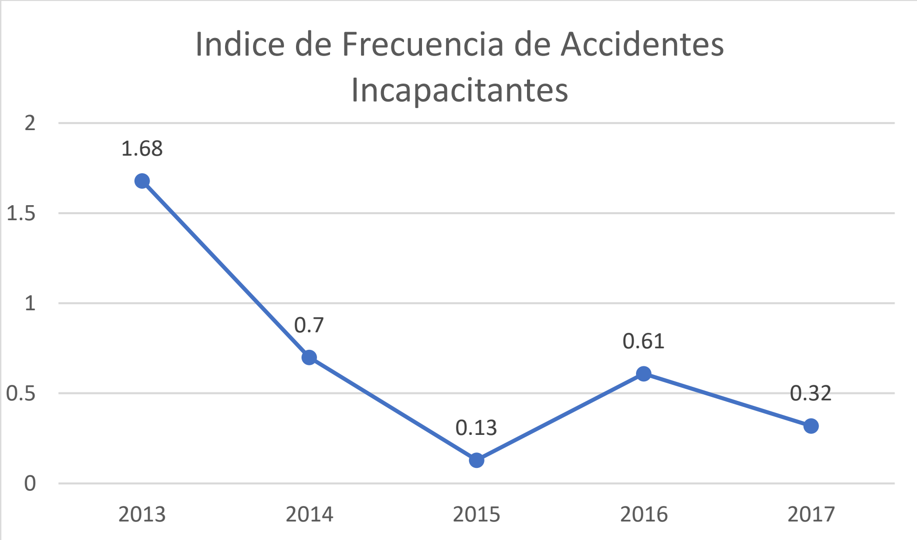
Minsur in San Rafael MU, Pucamarca MU and SPR Pisco maintained the certifications of its occupational health and safety management system based on the OHSAS 18001:2015 standard by Bureau Veritas, emphasizing the visible leadership and continuous improvement of its safety performance, and reducing accidents resulting in loss of workdays and high potential events, especially those related to vehicle accidents.

In 2017, Minsur operations have not reported fatalities and only three events were reported as lost-time accidents, thus reducing the Lost-Time Injury Frequency Rate (LTIFR), as compared to the former year. This allowed us positioning as Peru's safest company.

Safety Indicators

Indicator	2013	2014	2015	2016	2017
LTIFR[1]	1,68	0,70	0,13	0,61	0,32
Accidents resulting in loss of workdays	15	6	1	5	3
Fatalities	0	0	0	0	0

[1] Lost-Time Injury Frequency Rate based on 1 million man-hours worked.



In March 2017 the Special Committee comprised by representatives of MINEM, OSINERGMIN, SNMPE, CIP-MINAS, IIMP and ISEM, within the framework of the XXI National Mining Safety Contest organized by ISEM, granted the following awards to all Minsur's mining units for their outstanding safety performance in 2016. The awards were:

- Safety Trophy awarded to the Pucamarca MU (Tacna) for having obtained the first position in the Open Pit category. By the end of 2017, for the fifth consecutive year, it had zero lost-time accidents.
- Safety Plaque of Honor to San Rafael MU (Puno) for having obtained the fourth position in the Underground mining category. By the end of FY2017, only one lost-time accident was reported.
- Safety Plaque awarded to the Smelting Plant and Refinery of Pisco, for achieving the best safety performance in the Smelting and Refinery category. By the end of 2017, only one lost-time accident was reported.

Additionally, La Positiva Seguros granted Minsur the "Excellence & Quality: award for its outstanding work to prevent occupational risks. Thus, Minsur is a leader in the global tin industry applying the highest operating and safety standards for mining activities.

1. Most remarkable actions

By the end of 2017 we achieved the following remarkable aspects:

- Implementation of a semi-virtual training program on health and safety, with 6 modules and 120 training hours, called "School for Health and Safety Leaders". This program aims at strengthening technical knowledge and soft skills of Minsur's staff developing occupational health and safety activities.
- Participation in the 1st Meeting of Strategic Partners of the BRECA Mining Division, event where our contractors and suppliers with the best health

and safety commitment and performance in Minsur are recognized and awarded.

- Strengthening of the Safety Observer Program – “Miners protecting miners”; which aims at recognizing and promoting safe behavior at work, as well as at proactively correcting unsafe behaviors. 200 workers participated, almost 10% of Minsur’s workforce.
- Implementation of two new operational safety standards: “protection against electric shocks from storms” and “Safety at electric sub-stations, power rooms, and motor control center”.
- Issuance and dissemination of the Policy for Responsible use of mobile phones in the workplace.
- Implementation of the incident information management software, which allows recording and managing all incidents and accidents in an on-line system.
- Promotion and recognition of the workers’ “right to say No” to job situations or tasks that put people’s life at risk.
- Implementation and monitoring of the “Work environment free of alcohol and drugs” policy.
- Management review of all investigation reports on high potential events (HPE).
- Health campaigns related to healthcare and healthy life styles, dental care, ophthalmological care and immunization campaigns (influenza and tetanus); as well as chronic diseases detection and control.
- Implementation of road safety checkpoints, strategically located in Juliaca and Tacna cities, on the access roads to San Rafael MU and Pucamarca MU, correspondingly.
- Training on health and safety issues for the company's employees and contractors, with 60 annual training hours per worker in average.
- Campaigns to prevent finger and hand injuries.
- Monitoring of physical agents (noise, vibration, temperature) and chemical agents (total and respirable dust, silica, carbon monoxide, among others), as well as ergonomic risk.

3.7 Marketing

In the commercial scope, metal prices strengthened, especially tin price, which was stable in 2017. We took advantage of this to continue our investment plan, aiming at consolidating our leading position in this industry. As part of this investment plan, construction of the treatment plant B2 was approved in 2017, with a US$200 million investment. This is important since customers expect to be served by a safe, reliable and responsible supply source, as ours. This includes both effective customer service, and a growth-oriented investment strategy.

In 2017 we continued working to strengthen the relationship with our customers, focusing on presenting the main features of our products, especially tin.

Value proposal for our customers

In 2016 we launched our SusTINable brand, for our tin products, aiming at establishing a differentiating attribute around the concept of sustainability, which is associated to traceability and corporate responsibility. This positions us as a brand that generates shared social value with our customers, while improving our product's competitiveness. Thus, in 2017 we continued with our customer outreach initiative, by visiting their operations to better understand their processes, and we participated in international conferences to know the trends of several industries.

In 2017, we participated in the Thyssenkrupp Rasselstein compliance program; which targets the tinplate industry, obtaining an outstanding rating after the audit. Moreover, and after several years of work, our customer Stannol launched a product made 100% of Minsur tin, and thus 100% traceable and sustainable.

These events confirm our commitment and endeavors to produce the best-quality tin and with the highest sustainability standards.

In 2018 we shall continue developing more optimization strategies, using our current leading position and our SusTINable brand, thus generating more value for the company.

Regarding gold trading, we have and excellent relationship with the entire value chain based on market knowledge.

On the other hand, aiming at positioning tin in the most competitive markets and increasing our commercial margin, Taboca in Brazil is still implementing the international portfolio strategy serving our customers, formerly served from Peru. Furthermore, we have a strong position in the Brazilian domestic market, taking advantage of the tax recovery that favored our liquidity position.

In 2017, our long-term relationship with critical customers in the tantalum industry consolidated, thus consolidating long-term agreements. Hence, our goal towards 2018 is developing a quality consolidation strategy to get better prices for our two products, ferro-niobium and ferro-tantalum.

4 Results

4.1 Financial results

In 2017 our management focused on improving productivity and reducing costs and expenses in all operating units. As a result we obtained excellent financial results in line with our plan. Moreover, 2017 realized prices favored our FY results and allowed us maintaining a sound financial position.

Profits and losses

Concept	Unit	2017	2016	2015	Var (%)
Net sales	US$ MM	489,1	489,7	487,3	0%
Cost of Sales	US$ MM	-235,8	-234,0	-278,7	1%
Gross profit	**US$ MM**	**253,2**	**255,6**	**208,7**	**-1%**
Selling expenses	US$ MM	-4,1	-2,3	-6,3	79%
Administrative expenses	US$ MM	-31,8	-27,8	-28,9	15%
Exploration and projects expenses	US$ MM	-28,0	-15,1	-26,3	85%
Other operational expenses, net	US$ MM	11,6	-6,5	-4,9	
Operating profit	**US$ MM**	**201,0**	**203,5**	**142,3**	**-1%**
Financial income and (expenses) and others, net	US$ MM	-12,6	-27,7	-27,8	-54%
Results of subsidiaries and associated companies	US$ MM	-41,4	-29,7	-484,3	39%
Exchange difference, net	US$ MM	-0,8	0,5	-2,4	
Income before taxes	**US$ MM**	**146,3**	**146,6**	**-372,2**	**0%**
Income tax	US$ MM	-65,8	-58,8	-49,7	12%
Net profit (loss)	**US$ MM**	**80,5**	**87,8**	**-421,8**	**-8%**
Net margin	%	16%	18%	-87%	
EBITDA	**US$ MM**	**250,1**	**246,8**	**207,0**	**1%**
EBTIDA margin	%	51%	50%	42%	
Net income adjusted	US$ MM	122,6	117,1	64,9	5%

*It excludes exchange rate difference and results of subsidiaries and associate companies

Sales

Net sales were US$ 489,1MM in 2017, slightly below 2016, mainly due to the higher realized tin and gold prices that offset the lower volumes of tin and gold sold in the period.

The volume of tin sold by Minsur fell 9% in 2017, as compared to 2016, reaching 17 946 tons, mainly due to the lower production in San Rafael, as a result of lower tin grades obtained that year.

North America and Europe represent the main sales destinations of tin produced this year, representing approximately 50% and 42%, correspondingly. Sales to Europe fell slightly, as compared to 2016, while sales to North America grew 13%. Last but not least, local sales fell 4%, partially offset by a 7% growth of sales to the rest of South America.

Despite the lower production and changes in our customer base, tin sales in US Dollars increased 2% as compared to 2016, due to the higher prices during the year.

Regarding gold, the volume sold by Minsur fell 12% as compared to 2016, reaching 93 118 ounces. The lower gold production in Pucamarca was mainly due to the lower grade in the mine. 100% of gold sales had the US as destination.

Sales volume per product line

Sale detail	Unit	2017	2016	2015	Var (%)
Tin	T	17 946	19 192	21 056	-6%
Gold	oz	93 118	105 694	119 649	-12%

EBITDA

In 2017 EBITDA was +2% higher as compared to the previous year, which is reflected at similar levels in profit and gross margins. Furthermore, there were higher administrative expenses (+15%), and exploration and project expenses (+79%), in order to extend the life of our operations. These higher expenses were offset by extraordinary operations, such as the sale of a block of shares held by Minsur in Rimac insurance company.

As a result, the impact of better prices and cost management allowed increasing expected EBITDA margins and reaching a 51% level. This result continues reflecting the financial soundness of our assets.

Net profit

Net profit in 2017 amounted to US$ 80,5 million versus net loss of US$ 87,8 million in 2016. Such variation in comparison to 2016 is due to the better financial results of the year and an adjustment for asset impairment in Taboca subsidiary, which was partially offset by revaluation of Marcobre subsidiary.

4.2 Liquidity

The cash balance and cash equivalents amounted to US$498 million, 2% lower than at the end of 2016 (US$ 506,9 million). This cash balance considered deposits in cleared funds, which were not considered cash in the balance.

The lower cash balance responds, mainly, to contributions and loans provided to our subsidiary Taboca for capital investments, as well as for our investments in growth.

Cash flow

Cash flow	Unit	2017	2016	2015
Initial balance	**US$ MM**	**260,2**	**382,9**	**388,7**
Operation activities	US$ MM	144,3	167,7	118,1
Investment activities	US$ MM	-140,4	-290,5	-73,5
Financing activities	US$ MM	-61,1	0,0	-50,4
Final balance	**US$ MM**	**202.9**	**260,2**	**382,9**
Available-for-sale financial assets *	US$ MM	134,6	165,7	191,8
Deposits in terms greater than 90 days*	US$ MM	160.4	81.0	
Final balance (includes investments)	**US$ MM**	**497,9**	**506.9**	**574,7**

* Minsur considers these funds as part of its cash due to their liquidity (further details in the Audited Financial Statements, Notes 6 and 9)

4.3 Capital and funding

At the end of 2017, the total financial debt was US$ 443,6 million. As a result, net leverage ratio reached -0.2x at the end of 2017 versus -0,3x at the end of the former fiscal year.

Net debt

	Unit	2017	2016	2015
Financial obligations	US$ MM	443,6	440,1	439,4
Cash	US$ MM	497.9	506,9	581,9
Net debt	US$ MM	-54.3	-66,8	-136,1
Debt / EBITDA	x	1,8x	1,8x	2,1x
Net debt / EBITDA	x	-0,2x	-0,3x	-0,6x

4.4 Officers responsible for preparing the financial statements

In FY 2017, the accounting officer responsible for preparing the Financial Statements was Mrs. Indira Trujillo Ramírez, certified public accountant with registration number 1545.

The external auditor has been Paredes, Burga & Asociados S.C.R.L., a firm of member of EY Peru, which issued a clean audit report on Minsur S.A.

5 General information

5.1 Corporate name

The name of the company is MINSUR S.A. Its administrative offices are located in Lima, Jirón Giovanni Batista Lorenzo Bernini 149, Office 501 – A, San Borja. Its phone number is (511) 215-8330.

It has three production units in Peru: Nueva Acumulación Quenamari San Rafael, located in the Antauta district, province of Melgar, Puno region; the Smelter Plant and Refinery of Pisco, located in Paracas district, province of Pisco, Ica region; and Pucamarca mine, ulocated in Palca district, province of Taca, Tacna department.

5.2 Corporate purpose and term

MINSUR S.A. activity is classified under code 1320 in Review 3.1, and code 0729 in Review 4 of the International Standard Industrial Classification (ISIC). It specifically exploits tin and gold ore.

According to its Bylaws, the corporate purpose of MINSUR S.A. allows to carry out all activities involving the mining industry, particularly the exploration and exploitation of mineral deposits, processing their products, processing plants, mineral refining, as well as all related operations for these purposes. In addition, it may conduct any actions and enter into any agreement related to the mining business, as well as purchasing property, real estate and securities, and all those permitted by the law. Under its Bylaws, the company is organized for an unlimited duration.

5.3 Incorporation and registration in the Public Registry

Minsur S.A. was incorporated and began operations in October 6,1977 by transforming the Peru branch of MINSUR Partnership Limited of Bahamas, called MINSUR SL, which had been operating in Peru since 1966, as per Deed certified by the Public Notary of Lima, Dr. Ricardo Fernandini Arana, registered in the folio 8, page 183 of Volume 17 of the Book of Corporations and other Legal Entities, of the Public Mining Registry of Lima.

5.4 Economic Group

MINSUR S.A. is part of the economic group authorized by CONASEV (currently, the Peruvian securities regulator – SMV, in Spanish) and the Lima Stock Exchange (BVL, in Spanish), and Inversiones Nacionales de Turismo S.A., pursuant to CONASEV Resolution Nº 090-2005-EF-94.10. The abovementioned business group has investments in various economic sectors, such as: agriculture, construction, industry, real estate, mining, fishing, petrochemicals, health, financial services and insurance, tourism, as well as other activities and specialized services.

The main companies of this economic group are: AESA Infraestructura y Minería, Bodegas Viñas de Oro, Centria, Clínica Internacional, CPPQ, Urbanova Exsa, Intursa, Melón, MINSUR, Raura, Rímac EPS, Taboca and Tasa. In partnership with the Spanish group BBVA, it shares ownership of BBVA Continental.

5.5 Share capital, number and nominal value of shares

Since 2010, the share capital remained S/ 1 922 001 500, represented by 19 220 015 common registered shares with a nominal value of S/ 1,00 each, all fully subscribed and fully paid.

The abovementioned share capital was agreed at the Shareholder's Meeting, held on November 26, 2010, and specified in a Deed certified by the Notary Dr. Ricardo Fernandini Barreda, on December 2, 2010, agreement that was registered in entry B 00006 of the Electronic Record N° 01141929 of the Legal Entities Registry of Lima and Callao. All MINSUR S.A. shares confer their holders the right to vote.

5.6 Types of shares and shareholding structure

MINSUR S.A. has no shares in the portfolio of own issuance or repurchased by the company, nor have the Shareholders –during the general meeting- delegated its powers to the Board to approve the rise of capital.

At the end of FY 2017, the company only had two common shareholders, out of which only one has a larger participation than 5%.

Minsur shareholders

Shareholders	Participation (%)	Nationality	Economic group
Inversiones Breca S.A.	99,99995	Peruvian	(*)
Another shareholder	0,0000005	Peruvian	(*)
Total	**100,00**	-	-

(*) Economic group presented to the SMV-Peruvian securities regulator by Inversiones Nacionales de Turismo S.A. pursuant to the laws into force.

Common shares

Ownership	Number of shareholders	Percentage of participation
Less than 1%	1	0,0000005%
Between 1% - 5%	0	--
Between 5% -10%	0	--
More than 10%	1	99,99995%
Total	**2**	**100,00000%**

Equity stocks are registered in the Securities Public Registry, and are the only securities issued by MINSUR S.A. listed on the stock market.

As of December 31, 2017, the stocks issued by the company amounted to 960'999,163 shares of a nominal value of S/. 1 each.

Equity stocks

Ownership	Number of shareholders	Percentage of participation
Less than 1%	**3,060**	**20.922%**
Between 1% - 5%	**7**	**17.915%**
Between 5% -10%	**3**	**20.288%**
More than 10%	**3**	**40.875%**
Total	**3,073**	**100.000%**

Mr. Emilio Alfageme Rodríguez Larraín, Attorney with CAL (Lima Bar Association) number 18694, who serves as Chief Legal Manager of the company is responsible for the Securities Department.

5.7 Evolution of the stock price

Minsur S.A.

Equity

Código ISIN	Nemónico	Año - Mes	COTIZACIONES 2017 Apertura S/	Cierre S/	Máxima S/	Mínima S/	Precio Promedio S/
PEP622005002	MINSURI1	2017-01	1.45	1.40	1.51	1.40	1.45
PEP622005002	MINSURI1	2017-02	1.40	1.37	1.50	1.37	1.41
PEP622005002	MINSURI1	2017-03	1.37	1.40	1.48	1.33	1.36
PEP622005002	MINSURI1	2017-04	1.40	1.45	1.46	1.39	1.44
PEP622005002	MINSURI1	2017-05	1.45	1.47	1.47	1.42	1.45
PEP622005002	MINSURI1	2017-06	1.46	1.36	1.46	1.35	1.39
PEP622005002	MINSURI1	2017-07	1.35	1.37	1.39	1.33	1.36
PEP622005002	MINSURI1	2017-08	1.32	1.33	1.36	1.28	1.31
PEP622005002	MINSURI1	2017-09	1.33	1.60	1.60	1.32	1.42
PEP622005002	MINSURI1	2017-10	1.60	2.02	2.10	1.60	1.89
PEP622005002	MINSURI1	2017-11	2.02	1.94	2.16	1.90	1.99
PEP622005002	MINSURI1	2017-12	1.94	1.80	1.94	1.50	1.69

5.8 Tax treatment

Tax authorities are entitled to review, and -as applicable- to correct the Income tax calculated by the Company within the next four years after having filed the corresponding tax returns. Income tax returns for the years 2013 to 2017 and Sales tax returns for the years 2012 to 2017 are pending review by the tax authority. To date, the Tax Administration has reviewed Income Tax returns corresponding to the FY 2000 to 2011, and Sales tax returns for FY 2000 to 2008.

5.9 Judicial, administrative or arbitration proceedings

As a result of the review of tax returns of FY 2000 to 2010, the Company has been notified that it failed to pay a total of S/134,046,00 646 000 (equivalent to US$40,692,000) for Income tax and Sales tax. In all cases the Company has appealed such Resolutions, on the ground that they failed to abide by the Peruvian laws into force. To date, these appeals are pending resolutions. The Company management and its legal advisors estimate that such appeals will be favorably resolved for the company.

On the other hand, for years the Company has been paying under protest the abovementioned sums, without waving its right to complain or appeal before SUNAT, or to appeal before the Tax Court, as it may correspond. As of December 31, 2017, the balance paid under protest amounts to US$18,517,000 (US$24 091 000 in December 31, 2016). The company shall recognize the contingency as account receivables, once it is virtually possible to collect it.

In 2017, the Company recovered US$5,590,000 of the protest payment related to claims filed before SUNAT in 2000 and 2001 after obtaining a favorable result from the Tax Court. This sum includes interests and fees, and has been recorded under the "financial income and others, net" item of the separated income statement, and for the FY 2005 process, corresponding to the Sales Tax, the Company has recovered US$1,887,000, including fine and interests.

The appeal filed by the company before the tax authority for FY 2002 included a complaint for tax overpaid in that year amounting to S/104 708 000 (equivalent to US$ 32,290,000). Such amount corresponds to a mistake that resulted in declaring an excessive capital gain in our tax returns, related to the sale of 9 847 142 stocks of Unión de Cervecerías Peruanas Backus y Johnston S.A.A. in July 2002. The Company shall recognize the asset related to this complaint when the Tax Administration reimburses the undue payment. The Management and its legal advisors consider that this appeal shall be favorably resolved for the company.

As of December 31, 2017, twenty sanctioning administrative procedures have been initiated by (i) the Supervising Agency of the Investments in Energy and Mining (Osinergmin), el (ii) (ii) the Agency for Environmental Assessment and Enforcement (OEFA), (iii) the Ministry of Production (Produce), (iv) the National Water Authority (ANA) and (v) the Superintendency of Ground transportations for Passengers and Cargo (Sutran) against Minsur S.A., which could translate into fines adding up to no more than 20 483 Tax Units (UIT, in Spanish), according to the scale of fines approved by the regulatory authorities. Notwithstanding the abovementioned, considering our solid arguments and the particular situation of each procedure, a provision amounting to 1 278,41 Tax Units has been estimated at the end of FY 2017.

Nevertheless, considering the regulations that promote investment in the country, as well as the company's corrective measures and voluntary remediation, and the solid arguments –both legal and technical- presented by the company, MINSUR will obtain favorable results that will considerably reduce such amount.

At the end of FY 2017 Minsur is involved in a contentious-administrative lawsuit filed by the *Junta de Usuarios del Valle de Tacna* (Association of Users of the Tacna valley) in November 2007 against the Technical Administration of Tacna Irrigation District, the Regional Agriculture Bureau of Tacna, Minsur, and the Ministry of Agriculture. With this lawsuit, the Association of users of the Tacna valley seeks that the Ministerial Resolution 497-2007-AG –related to the operation of wells partially supplying water resources to our unit in Pucamarca- is declared null and void. In January 2017, a Decision was issued upholding part of the claim.

At a later time, last October, the Superior Court of Tacna confirmed the abovementioned Decision. Minsur S.A. has filed the corresponding appeal, which is pending resolution. In the event that the appeal filed by Minsur is rejected, administrative resolutions rectifying the geographical coordinates of the wells used in the Pucamarca mining project operations would become null, which could lead to an administrative procedure questioning the continuation of such operation if such coordinates are not renewed.

Nevertheless, it is our attorneys' opinion that it is an unlikely contingency, since there are high possibilities for the appeal to be upheld; and, in any case, in the event of a negative scenario, Minsur could prevent an impact in its operation by adopting alternate administrative measures aiming at timely replacing the authorization required to use such wells.

6 Corporate governance

6.1 Professional trajectory of Directors

Fortunato Brescia Moreyra

President

He is President of the Board of Directors of MINSUR since May 2013. Furthermore, he is Director of Breca, CEO of Marcobre and Compañía Minera Raura; he is also Vice-President of the Board of Directors of, EXSA and TASA. He is a member of the Board of real estate companies owned by Breca, Rímac Seguros, Intursa, BBVA Continental, Corporación Peruana de Productos Químicos and Melón (Chile). Moreover, he is President of the Board of Directors of Aporta, a non-profit association created by Breca companies to promote sustainable development programs. He studied mining engineering, graduated from Colorado School of Mines, Colorado, USA, and the National Engineering University, Lima, Peru.

Alex Fort Brescia

Vice-President

He is the Vice-President of the Board of Directors of MINSUR since May 2013. He is Co-President of Breca, President of the Board of Directors of the BBVA Continental, of Rímac Seguros and of Melón (Chile). Furthermore, he is Vice-President of real estate companies owned by Breca and of Corporación Peruana de Productos Químicos. Moreover, he is a member of the Board of TASA, Intursa, Compañía Minera Raura and EXSA. He is a member of non-profit associations, such as Consejo Iberoamericano para la Productividad y Competitividad (Madrid, España), Endeavor Peru (Director), International Patronage of the Friends of the Prado Museum Foundation (Madrid, Spain), Patronage of the Arts of the Museum of Art of Lima, G-50 (Washington, D.C.), Council of the Americas and Americas Society (Nueva York), Latin America Business Council (CEAL), Advisory Council of the Center of Public Studies (CEP) in Chile and the Foreign Commerce Society of Peru (COMEXPERU, Director) and of the Board of Directors of Aporta. He graduated in Economics from the Williams College (USA), has an MBA from Columbia University (USA).

Rosa Brescia Cafferata widow of Fort

Director

She is a member of the Board of Directors of MINSUR since 2014. Furthermore, she is member of the Board of Directors of Breca and its subsidiaries. She is also President of the Board of Directors of the Peruvian Center for Hearing, Language and Learning (CPAL), non-profit institution devoted to education and rehabilitation of children, adolescents and adults. As a founder and Director of the Research group on xerophytes, she has published the book "*Jardines verdes con poco agua*" (Green Gardens with little water) (Lima 2005 – First edition, Lima 2010 – Second edition and Lima 2016 – Third edition), aiming at promoting crops of urban sustainable plants in the Peruvian coast. In 2010 she was awarded by the Congress with the Medal of Honor in the Rank of "Officer" for her contribution to rehabilitation and special education of people with hearing impairments. In 2009, she received the "Order of Merit for Distinguished Services" in the rank of "Commander", in recognition of her education work in CPAL and her contribution to research and promotion of xerophytes.

Mario Brescia Moreyra

Director

He is Director of MINSUR since 2001 and Director of Breca. He is also the President of the Board of TASA and EXSA. He is also Vice-President of Melón (Chile) and Intursa. He is a member of the Board of Directors of Rimac Seguros, of the real estate companies of Breca, BBVA Continental, Compañía Minera Raura and Corporación Peruana de Productos Químicos. Furthermore, he is a member of the Board of the National Fisheries Society in Peru, and Vice-President of the Board of Aporta. He graduated in Business Administration from the Ricardo Palma University (Lima, Peru).

Pedro Brescia Moreyra

Director

He is Director of MINSUR since 2011. Furthermore, he is Co-President of Breca. He is also President of the Board of Directors of Corporación Peruana de Productos Químicos, of the real estate companies of Breca and of Intursa. He is also Vice-President of Rímac Seguros and BBVA Continental, and member of the Board of TASA, EXSA, Minera Raura and Melón (Chile). Likewise, he is a member of the Board of Aporta. He graduated in Economics, with a specialization in Business Administration, from Boston University (United States).

Miguel Aramburú Álvarez-Calderón

Director

Independent Director of MINSUR from September 13, 2012. He is President of the Board of Directors of Fenix Power, Director of Andino Investment Holdings, of Neptunia, of Graña y Montero, of Stracon GyM, of IFB-Certus and of Enfoca Investments. Former member of the Board of Castrovirreyna Compañía Minera S.A., of Maestro Perú and of Pacífico Vida. He worked in Hochschild Mining PLC for 15 years, until March 2010, where his most recent position was CEO. He teaches postgraduate courses in the School of Senior Management (PAD) of the University of Piura. Industrial Engineer graduated from the Pontifical Catholic University. He has an MBA from the Graduate School of Business of Stanford University.

Jaime Araoz Medanic

Director

Director of MINSUR since March 2016. He is General Manager of Inversiones Breca, Estratégica (Breca's corporate center) and Holding Continental. He is member of the Board of Directors of Clínica Internacional, Corporación Peruana de Productos Químicos, EXSA, real estate companies owned by Breca, Intursa, Melón (Chile), Compañía Minera Raura, Rimac Seguros and TASA, así como Director Suplente del BBVA Continental. as well as alternate Director of BBVA Continental. He is also member of the Board of Aporta and Director of the Instituto Peruano de Economía (Peruvian Institute of Economics). He graduated in Business Administration from the Lima University and has an MBA from Kellogg Graduate School of Management (United States).

Miguel Ángel Salmón Jacobs

Alternate Director

Alternate Director of the Board of Directors of MINSUR since March 2013. Currently he is also Alternate Director of BBVA Continental, Rímac Seguros, and of real estate companies of the Group, CPPQ, Exsa, Intursa, Raura and TASA. Furthermore, he is the Legal Corporate Manager of Estratégica (Corporate Center of Breca). He worked as Legal Manager in Armco Perú and in Sider Perú, and was Corporate Legal Manager of El Comercio Group. He graduated in law and political sciences from the Lima University.

Fernando Jose Alegre Basurco

Alternate Director

He graduated as an industrial engineer from the Lima University and has an MBA in Strategy and Finances from Michigan University. He is an Alternate Director in the Company since 2017. Moreover, he is Deputy CFO and Deputy CBDO of the Corporate Center of Breca. He is also a member of the Board of Directors of Rímac and Clínica Internacional. In addition, he is alternate director of the real estate companies of the Group, Exsa, Intursa, Qroma, Raura, and Tasa.

6.2 Other aspects related to the Board of Directors

A Talent and Remuneration Committee and an Audit and Risk Committee have been created within Minsur S.A. Board of Directors.

Directors Fortunato Brescia Moreyra, Mario Brescia Moreyra and Pedro Brescia Moreyra are blood relatives in second degree of collateral line. They are also blood relatives in third degree of the collateral line with Director Rosa Brescia Cafferata. Likewise, they are blood relatives in fourth degree of the collateral line with Director Alex Fort Brescia. Director Alex Fort Brescia is blood relative in the first degree of the direct line with Mrs. Rosa Brescia Cafferata.

6.3 Professional trajectory of Managers

MINSUR structure adapts to the process of growth and diversification of its mining operations. The organization promotes a dynamic and horizontal way of working, in line with modern management.

Its departments are under the leadership of the best professionals. Each manager has been selected based on his/her talent, career, and values, contributing to the company's management with their experience, professionalism and commitment.

Juan Luis Kruger Sayán

General Manager

He is General Manager of MINSUR since March 2013. For over 10 years, he has been in Senior Management positions in multinational companies of the mining, finance, telecommunications and consumer goods industries in several countries of South America, and has experience as a consultant in strategic management in McKinsey. Former Executive Vice President of Gold Fields Ltd. for South America and General Manager of Gold Fields La Cima S.A.A. He also was the CEO of LAN Perú S.A. and CFO of Glencore for the regional operations. Graduated in Business Administration from the Pacific University, Peru. He has a Master in Business Administration from Harvard University, USA.

Enrique Rodriguez

Director of Projects

He was Director of Projects until March 8, 2017. He has 30 years of experience in project development, 21 of which have been devoted to the mining industry. Furthermore, he has been Vice-President of Projects in Antamina; Director of Projects in Anglo America for Michiquillay and Quellaveco projects; and Project Manager of Pan Pacific Copper in Peru and of Newmont Mining Corp, in Peru and Ghana, Africa. He graduated as a civil engineer from the Pontifical Catholic University of Peru, with management studies in the University of Piura, as well as several studies on advanced social management with Cambridge and Queensland Universities, and on Project management with IPA, Crestcom and other specialized institutions. Currently he is General Manager of Marcobre since September 2017.

Yuri Alfredo Gallo Mendoza

Corporate Project Manager

He is Corporate Project Manager of Minsur since April 2017. He has 27 years of experience in project implementation and development, metallurgical operations and maintenance of industrial plants and infrastructure, 25 of which have been devoted to the mining industry. He has been Project Development Manager in Minsur, Engineering Manager in Ausenco – Constancia Project, Project and Engineering Manager in BHP Billiton Copper-Uranium Division in the Olympic Dam Expansion Project – Australia, Engineering and Research Manager in Yanacocha-Newmont including the Gold Mill and Conga projects, and mechanical engineering functional manager in the Expansion project department of Southern Peru Copper for modernizing the smelting plant of Ilo, among others. He graduated as a mechanical engineer from the Pontifical Catholic

University of Peru, with masters' studies in Business Administration in the Private University of Tacna, with a Diploma in megaproject assessment and PMP certificate.

Luis Argüelles Macedo

Director of Operations – Chief Operations Officer (COO)

He was Director of Operations of Minsur since December 2012 to April 2017, when he became Chief Operating Officer (COO). He has 25 years of experience in the mining industry, serving in senior management positions. Civil engineer, graduated from the Pontifical Catholic University of Peru, with Senior Management studies from the University of Piura (Lima premises), as well as various studies at Berkeley University, Crestcom and other institutions.

Gonzalo Quijandría Fernández

Director of Corporate Affairs

He is the Director of Corporate Affairs of Minsur since September 2013. Formerly, he served as Director of Corporate Affairs of Barrick Misquichilca and was the Manager of Corporate Affairs of Compañía Minera Antamina. Attorney, graduated from the Pontifical Catholic University of Peru, was a Fellow of the Nieman Foundation at Harvard University. He has a specialization in mining management from the Pontifical Catholic University of Chile and has taken communication courses in the Theodore Haus Academie of Gummerbach, Germany, and Community Relations courses in Orissa, India. He participated in the Advanced Management Program of the School of Senior Management (PAD) of the University of Piura.

Gianflavio Carrozzi Keller

Director of Finances

He was Director of Finances from January 2015 to August 2017, and he was appointed General Manager for Peru Operations on September 1, 2017. Formerly he was Corporate Chief Financial Officer from September 2013 to December 2014. Before that, he held management positions in the financial departments of Hochschild Mining Plc and General Motors in New York. He has more than 10 years of experience in the mining sector. Economist, graduated from the Pacific University. Postgraduate studies in

Business Administration, with a specialization in Finance, from the University of Michigan.

Diego Molina

Director of Finances

Director of Finances since August 2017. Formerly, he held management positions in the financial departments of Amcor (former Peruplast) and SQM. He has more than 10 years of experience in the mining and industrial sectors, in finance role, new business development, commercial excellence and operations in Peru, China and other countries. He graduated as a civil engineer and has masters' degree from the Pontifical Catholic University of Chile. He has an MBA from INSEAD and from the Tshinghua University in China, Singapore and France.

Ralph Alosilla-Velazco Vera

Director of Logistics and Information Technology

He is Director of Logistics and Information Technology of MINSUR since November 2015. Formerly he was Vice-President of Logistics and Marketing at Gold Fields La Cima S.A. and had several management positions in companies of the Glencore Group and Southern Peru Copper. He has more than 20 years of experience in the mining sector. Industrial engineer graduated from the Lima University. He has a Master in Global Business Administration from the Business School of the Pontifical Catholic University of Peru, and also an MBA from Tulane University.

Álvaro Escalante Ruiz

Director of Human Resources

He is Director of Human Resources of MINSUR since October 2014. Bilingual executive with 20 years of management experience in Sales, Marketing, Consultancy and in the last 15 years in Human Resources. He has worked in national and transnational companies of various sectors, such as mass consumption, education, industry and mining. He has been a teacher in the Postgraduate School of the Peruvian University of Applied Sciences (UPC) and of the Andrés Bello University of Chile. He has also been executive *coach* and is a columnist of Aptitus magazine, edited by Gestión. He graduated in Business Administration from the Pacific University, has an MBA from the Pontifical Catholic University of Chile.

Rafael E. Salazar Tafur

Director of Internal Audit

He is Director of Internal Audit of MINSUR since July 2011. He has been a member of the Internal Revenues Service Advisory Committee of SUNAT, of the Tax and Economic Committee from CONFIEP, and a representative of the Committee for Accounting Standards. He is a member of the Institute of Internal Auditors of Peru, certified as a Quality Auditor and also has the Certifications in Risk Management Assurance (CRMA). Certified Public Accountant graduated from the Pontifical Catholic University of Peru.

6.4 Remuneration of the Board of Directors

Remuneration of the Board of Directors in FY 2017, excluding the independent Director, represents 0,0478%, and the one corresponding to the latter represents 0,0106% of Minsur S.A. gross revenues.