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

Lima, May 12, 2017 – MINSUR S.A. and subsidiaries (BVL: MINSURI1) ("the Company" or "Minsur"), a Peruvian mining company dedicated to the exploration, processing and commercialization of tin and other minerals, announced its consolidated results for the first quarter ("1Q17") period ended March 31, 2017. These results are reported in a consolidated basis and in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$), unless otherwise indicated.

I. OPERATING RESULTS AND FINANCIAL HIGHLIGHTS:

- **Production:**
  - **Tin: 5,002 tons in 1Q17, a decrease of 5%** compared to 1Q16, in line with annual production guidance of 23,000 – 25,000 tons of refined tin.
  - **Gold: 29,009 ounces** in 1Q17**, a decrease of 13%** compared to 1Q16, in line with the Company's plan to reach annual production guidance of 90,000 – 100,000 ounces.
  - **Ferro Niobium and Ferro Tantalum alloys: 541 tons in 1Q17, 31%** higher than 1Q16**.** The Company maintains production guidance of 3,000 – 3,500 tons of alloys for 2017.

- **Cash Cost per treated ton:**
  - **San Rafael/Pisco:** Cash cost per treated ton in 1Q17 was **US$ 62,** a 47% decrease compared to 1Q16. In terms of a refined ton of tin, cash cost during 1Q17 was **US$ 10,284**, 25% higher than 1Q16.
  - **Pucamarca:** In 1Q17, cash cost per treated ton was **US$ 3.9**, a 13% increase compared to 1Q16. In terms of a refined ounce of gold, cash cost during 1Q17 was **US$ 253/oz,** an increase of 14% compared to 1Q16.
  - **Pitinga-Pirapora:** In 1Q17, cash cost per treated ton was **US$ 17.5, a 7% decrease** compared to 1Q16. In terms of a refined ton of tin, cash cost during 1Q17 was **US$ 13,668**, 1% higher than 1Q16.

- **Average Market Prices:**
  - **Tin:** average metal price in 1Q17 was **US$ 20,043** per ton, a **29% increase** compared to 1Q16.
  - **Gold:** average metal price in 1Q17 was **US$ 1,219** per ounce, a **3% increase** compared to 1Q16.
- **EBITDA: US$ 47.4 M in 1Q17**, a **7% increase** compared to 1Q16. EBITDA margin in 1Q17 was 30% vs. 35% in 1Q16.
- **Net income:** reached **US$ 13.6 M in 1Q17 vs. a net loss of US$ 18.9 M in 1Q16.**
- **Adjusted net income**[1]: Excluding results from subsidiaries and associates and exchange difference, adjusted net income reached **US$ 13.7 M** in 1Q17, a decrease of 2% compared to 1Q16.

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

Table N° 1: Summary of operating and financial results

Highlights	Unit	1Q17	1Q16	Var (%)
Production				
Tin (Sn)	t	5,002	5,250	-5%
Gold (Au)	oz	29,009	33,517	-13%
Ferro Niobium and Ferro Tantalum	t	541	413	31%
Financial Results				
Net Revenue	US$ M	156.1	127.0	23%
EBITDA	US$ M	47.4	44.3	7%
EBITDA Margin	%	30%	35%	-13%
Net Income	US$ M	13.6	18.9	-28%
Adjusted Net Income[1]	US$ M	13.7	14.0	-2%

II. MAIN CONSIDERATIONS:

a. Average metal prices:

- **Average Tin (Sn) Price** in 1Q17 was US$ 20,043 per ton, an increase of 29% compared to the same period of 2016.

- **Average Gold (Au) Price** in 1Q17 was US$ 1,219 per ounce, an increase of 3% compared to the same period of the previous year.

Table N° 2: Average metal prices

Average Metal Prices	Unit	1Q17	1Q16	Var (%)
Tin	US$/t	20,043	15,555	29%
Gold	US$/oz	1,219	1,182	3%

Source: Bloomberg

b. Exchange rate:

The Peruvian Sol average exchange rate for 1Q17 was S/. 3.29 per US$ 1, which represents an appreciation of 5% compared to the average exchange rate during 1Q16 (S/. 3.45 per 1 US$). At the close of 2016, the average exchange rate was S/. 3.36 per US$ 1, while at the close of 1Q17 was S/. 3.25.

The Brazilian Real average exchange rate for 1Q17 was R$ 3.14 per 1 US$, which represents an appreciation of 19% compared to the average exchange rate during 1Q16 (R$ 3.90 per 1 US$). At the close of 2016, the average exchange rate was R$ 3.26 per 1 US$, while at the close of 1Q17 was R$ 3.12.

Table N°3: Exchange Rate

Average Exchange Rate	Unit	1Q17	1Q16	Var (%)
PEN/USD	S/.	3.29	3.45	-5%
BRL/USD	R$	3.14	3.90	-19%

Source: Banco Central de Reserva del Perú and Banco Central do Brasil

III. OPERATING MINING RESULTS:

a. San Rafael – Pisco (Perú):

Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	1Q17	1Q16	Var (%)
Ore Treated	t	491,266	226,759	117%
Ore Grade	%	1.65	2.09	-21%
Tin production (Sn) - San Rafael	t	4,017	4,274	-6%
Tin production (Sn) - Pisco	t	3,580	4,354	-18%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	62	116	-47%
Cash Cost per Ton of Tin[3]	US$/t Sn	10,284	8,239	25%

In 1Q17, refined tin production reached 3,580 tons, an 18% decrease compared to the same period of the previous year. This was mainly explained by the scheduled maintenance that took place in the smelter during 23 days in January 2017, while for 2016 the smelter operated continually during the first quarter. Also, the ore grade fed into the plant, decreased from 2.09% in 1Q16 to 1.65% in 1Q17, nevertheless, production for the quarter is in line with annual production guidance for the quarter of between 16,500 and 17,500 tons of refined tin.

Cash cost per treated ton[2] at San Rafael in 1Q17 was US$ 62 vs. US$ 116 in 1Q16, a reduction of 47%. It is important to highlight that cash cost per ton for this period includes low-grade ore (279,036 tons) which is fed into the pre-concentration ore sorting plant, unlike 1Q16, and ore treated in the concentration plant fed directly from the mine (212,230 tons) which include fixed costs on a per treated ton basis. This temporary dilution effect as we expect the low-grade ore stockpiled at “Cancha 35” to be consumed during 2017. Absent this effect, costs on a treated ton basis would be approximately US$ 105. Cash cost per treated ton is in line with the Company’s guidance of US$ 70- US$ 80 per treated ton.

[2] Cash Cost per treated ton = San Rafael production cost / Ore treated

Cash cost per refined ton of tin[3] in 1Q17 was US$ 10,284 vs. US$ 8,239 in 1Q16, a 25% increase mainly due to lower tin production levels in 1Q17 (-18%) compared to 1Q16, due to the maintenance stoppage, partially offset by cost reductions at the mine on a per treated ton basis.

b. Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

Pucamarca	Unit	1Q17	1Q16	Var (%)
Ore Treated	t	1,876,212	2,159,538	-13%
Ore Grade	g/t	0.52	0.46	12%
Gold production (Au)	oz	29,009	33,517	-13%
Cash Cost per Treated Ton	US$/t	3.9	3.5	13%
Cash Cost per Ounce of Gold[4]	US$/oz Au	253	223	14%

In 1Q17 gold production reached 29,009 ounces, a 13% decrease compared to the same period of the previous year and in line with the Company's annual production guidance of around 90,000 and 100,000 ounces. This decrease is explained by higher inventory of products in progress at the close of 2015, which increased production in 1Q16. It is important to note that in accordance with Pucamarca's geological model and mining plan, head grade was 0.52 g/t in 1Q17, 12% higher than 1Q16, which partially offset a lower volume of ore treated during the period.

Cash cost per treated ton at Pucamarca was US$ 3.9 in 1Q17 vs. US$ 3.5 in 1Q16, a 13% increase, mainly as a result of a lower volume of treated ton (-13%), in line with the Company's plan to reach the annual guidance of US$ 4.5 – US$ 5.0 per treated ton.

Cash cost per ounce of gold[4] in 1Q17 was US$ 253, an increase of 14% compared to 1Q16. This increase was explained by lower gold production (-13%), and higher cash cost per treated ton in 1Q17 compared to 1Q16.

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

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

c. Pitinga – Pirapora (Taboca – Brasil):

Table N°6. Pitinga – Pirapora Operating Results

Pitinga - Pirapora	Unit	1Q17	1Q16	Var (%)
Ore Treated	t	1,764,398	1,359,266	30%
Head Grade - Sn	%	0.19	0.20	-4%
Head Grade - NbTa	%	0.25	0.26	-3%
Tin production (Sn) - Pitinga	t	1,767	1,494	18%
Tin production (Sn) - Pirapora	t	1,422	896	59%
Niobium and tantalum alloy production	t	541	413	31%
Cash Cost per Treated Ton	US$/t	17.5	18.8	-7%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	13,668	13,600	1%

In 1Q17, refined tin production at Pitinga-Pirapora reached 1,422 tons, an increase of 59% compared to 1Q16, mainly due to: i) higher volume of concentrates processed at Pirapora as 1Q16 was impacted by the incident at the hydroelectric plant, which restricted tin concentrates production at Pitinga, ii) higher treatment of reprocessed materials, resulting in higher levels of recovery, iii) higher production of concentrates from slags, and iv) higher outsourcing of smelting of concentrates. It is important to note that like 2016, in 1Q17 the Company carried out a scheduled maintenance of the plant, in which production was halted for 23 days, 5 days less than the 1Q16.

In 1Q17 production of Ferro Niobium and Ferro Tantalum (alloys) was 541 tons, an increase of 31% compared to the same period last year, mainly explained by the start of operation of the new niobates flotation plant, and lower production capacity at Pitinga during 1Q16 due to the power restrictions because of the incident at the hydroelectric power plant.

Cash cost per treated ton at Pitinga in 1Q17 was US$ 17.5 vs. US$ 18.8 in 1Q16 (-7%), because of volumes of ore processed at the concentration plant, and the Company's continued efforts to reduce operational costs. Moreover, these positive impacts were achieved despite the significant appreciation of the Brazilian Real (19%), which increases our cost in US dollars.

By-product credit cash cost per ton of tin[5] in 1Q17 was US$ 13,668, representing an increase of 1% compared to 1Q16. While tin and ferroalloy production were higher, the operational cost in US dollars increased due to the appreciation of the Brazilian Real.

Regarding our expansion projects at Pitinga, the new niobates floatation plant and the expansion of the niobates smelting, were concluded and started ramp-up phase during 1Q17, in line with the Company's annual production guidance of 3,000 – 3,500 tons of ferroalloy.

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

IV. CAPEX:

Table N°7. CAPEX

CAPEX	Unit	1Q17	1Q16	Var (%)
San Rafael - Pisco	US$ M	8.1	7.0	16%
Pucamarca	US$ M	2.1	1.6	34%
Pitinga - Pirapora	US$ M	21.1	9.5	123%
Marcobre, others	US$ M	2.7	1.2	133%
Total	**US$ M**	**34.1**	**19.2**	**77%**

In 1Q17, CAPEX was US$ 34.1 M, an increase of 77% compared to 1Q16. The major investments during the year were:

- **San Rafael**: Backfilling of an ore body mined in the past in order to access higher grade zones (US$ 1.8M), B2 pre-operating studies (US$ 2.6 M), increase in mine closure activities from updated discount rates (US$ 2.5 M), among others.
- **Pucamarca:** Expansion of the leaching pad, which is required for the continuation of the operation (US$ 1.2 M), increase of mine closure activities from updated discount rates (US$ 0.7 M), among others.
- **Pitinga - Pirapora:** Carry-over of projects related to the new Niobium and Tantalum flotation plant (US$ 10.2M), expansion of the Niobium and Tantalum smelting facilities (US$ 5.6M), short-term tailings disposal (US$ 4.2 M), among others.

V. FINANCIAL RESULTS:

Table N°8. Financial Statements

Financial Statements	Unit	1Q17	1Q16	Var (%)
Net Revenue	US$ M	156.1	127.0	23%
Cost of Sales	US$ M	-102.3	-73.9	38%
Gross Profit	**US$ M**	**53.8**	**53.2**	**1%**
Selling Expenses	US$ M	-1.4	-1.5	-12%
Administrative Expenses	US$ M	-11.5	-9.0	28%
Exploration & Project Expenses	US$ M	-7.5	-8.6	-13%
Other Operating Expenses, net	US$ M	-3.0	-4.9	-38%
Operating Income	**US$ M**	**30.4**	**29.1**	**5%**
Finance Income (Expenses) and Others, net	US$ M	-6.6	-7.9	-17%
Results from Subsidiaries and Associates	US$ M	-2.0	-2.3	-15%
Exchange Difference, net	US$ M	1.9	7.2	-
Profit before Income Tax	**US$ M**	**23.8**	**26.1**	**-9%**
Income Tax Expense	US$ M	-10.2	-7.2	41%
Net Income	**US$ M**	**13.6**	**18.9**	**-28%**
Net Income Margin	%	9%	15%	-41%
EBITDA	**US$ M**	**47.4**	**44.3**	**7%**
EBITDA Margin	%	30%	35%	-13%
Adjusted Net Income	**US$ M**	**13.7**	**14.0**	**-2%**

a. Net Revenue:

In 1Q17, net revenue reached US$ 156.1 M, an increase of 23% (+US$ 29.1 M) compared to the same period of the previous year. This increase is mainly explained by higher sales volume of tin and alloys (8% and 43%, respectively), as well as higher prices of tin and gold (29% and 3%, respectively). This was partially offset by lower sales volumes of gold (-10%), as a result of lower production. Furthermore, higher sales volume of alloys was due to the initiation of production at the new niobates flotation plant, as well as the expansion of the niobates smelter.

*EBITDA does not include impairment at Marcobre in 2015
** Adjusted net income = Net income excluding Loss from Subsidiaries and Associates and exchange difference, net and impairment at Marcobre in 2015.

Table N°9. Net revenue Volume by product

Net Revenue Volume	Unit	1Q17	1Q16	Var (%)
Tin	t	5,949	5,527	8%
San Rafael - Pisco	t	4,496	4,631	-3%
Pitinga - Pirapora	t	1,453	896	62%
Gold	oz	24,308	26,949	-10%
Ferro Niobium and Ferro Tantalum	t	513	360	43%

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

Net Revenue in US$	Unit	1Q17	1Q16	Var (%)
Tin	US$ M	118.1	89.7	32%
San Rafael - Pisco	US$ M	91.2	75.7	20%
Pitinga - Pirapora	US$ M	26.9	14.0	93%
Gold	US$ M	30.1	31.6	-5%
Ferro Niobium and Ferro Tantalum alloys	US$ M	7.8	5.7	36%
TOTAL	**US$ M**	**156.1**	**127.0**	**23%**

b. Gross Profit:

Gross profit during 1Q17 was US$ 53.8 M, a 1% increase compared to the same period of the previous year. Increase of sales of 23% in 1Q17 compared to 1Q16, derived from higher sales from our operations in Brazil (Pitinga-Pirapora), but lower sales from San Rafael, eroded our margins thus maintaining similar gross profit compared to the same period of last year. Gross margin in 1Q17 was 35%, while in 1Q16 was 42%.

c. Administrative Expenses:

Administrative expenses in 1Q17 were US$ 11.5 M, an increase of 28% (US$ 2.5 M) compared to the same period of last year. This increase was primarily due to: i) staffing of our key growth projects such as B2 (US$ 0.9 M), ii) higher provisions for employee profit sharing during 1Q17 (US$ 0.4 M), and iii) the appreciation of the Brazilian Real (US$ 0.6 M).

d. Exploration & Project Expenses:

In 1Q17, exploration & project expenses totaled US$ 7.5 M, a decrease of 13% (US$ 1.1 M) compared to the same period of last year. This reduction is mainly due to lower expenses recorded at the Marcobre project as these are now capitalized following the transition from prefeasibility to feasibility phase (-US$ 3.2 M); thus, the expenses are capitalizing during 1Q17, partially offset by higher exploration investments in San Rafael and Pucamarca's surrounding areas (+US$ 1.8 M).

e. EBITDA:

EBITDA in 1Q17 reached US$ 47.4 M, an increase of 7% (US$ 3.1 M) compared to the same period of the previous year. This was mainly due to a higher sales volume of tin and alloys in tons, as well as higher prices of tin and gold, partially offset by lower sales of gold, higher cost of sales and higher administrative expenses. EBITDA margin in 1Q17 reached 30%, lower than the 35% in 1Q16.

f. Net Income and Adjusted Net Income:

Net income in 1Q17 reached US$ 13.6 M, a decrease of US$ 5.3 M compared to 1Q16 (US$ 18.9 M). It is important to mention that in 1Q16 Taboca registered exchange rate gains for US$ 6.1M, due to a strong appreciation of the Brazilian Real. Excluding the results from the subsidiaries and associates, and the exchange rate difference, adjusted net income in 1Q17 was US$ 13.7 M, a decrease of 2% compared to 1Q16.

VI. LIQUIDITY:

As of March 31, 2017, cash and cash equivalents totaled US$ 542.6 M, a 1% decrease compared to the close of 2016 (US$ 549.2 M). In terms of debt, total financial debt as of March 31, 2017 reached US$ 572.9 M, 4% higher than the total debt recorded at the close of 2016 (US$ 551.5 M). Net leverage ratio reached 0.1x as of March 31, 2017 vs. 0.0x at the close of 2016.

Table N°11. Total Debt

Financial Ratios	Unit	mar-17	dic-16	Var (%)
Total Debt	US$ M	572.9	551.5	4%
Cash	US$ M	542.6	549.2	-1%
Net Debt	US$ M	30.3	2.3	1221%
Total Debt / EBITDA	x	2.7x	2.7x	2%
Net Debt / EBITDA	x	0.1x	0.0x	1201%

VII. Guidance for 2017

Operation	Metric	Guidance 2017
San Rafael/ Pisco	Refined tin production (t)	16,500 - 17,500
	Cash Cost per treated ton (US$)	70 - 80
	CAPEX (US$M)	30 - 40
Pucamarca	Gold production (koz)	90 - 100
	Cash Cost per treated ton (US$)	4.5 - 5.0
	CAPEX (US$M)	20 - 25
Pitinga / Pirapora	Refined tin production (t)	6,500 - 7,500
	Ferroalloys production (t)	3,000 - 3,500
	Cash Cost per treated ton (US$)	17.0 - 19.0
	CAPEX (US$M)	45 - 50
Marcobre	CAPEX (US$M) until the completion of the feasibility phase	25- 30
B2	CAPEX (US$M) until the completion of the feasibility phase	9 - 12

Conference call information

Minsur S.A. cordially invites you to participate to its 1Q17 earnings conference call

Date and time:
Wednesday, May 17, 2017
11:00 a.m. (New York time)
10:00 a.m. (Lima time)

To participate, please dial:
USA 1-800-894-5910
International (outside the USA dial) 1-785-424-1052
Access code: MINSUR

COMPANY DESCRIPTION:

MINSUR was established in 1977, following the transformation of the Peruvian branch of the mining company, MINSUR Partnership Limited de Bahamas, called MINSUR Sociedad Limitada, which operated in Peru since 1966.

Mainly dedicated to exploration, exploitation and treatment of ore deposits, MINSUR is a leader in the international tin market. It has recently entered the gold market through the Pucamarca mine, which initiated operations in February 2013, the other two production units of the Company are the San Rafael mine and the Foundry and Refining Plant of Pisco.

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

Finally, MINSUR through its subsidiary Cumbres Andinas S.A., owns 100% of the shares of Marcobre S.A.C., which manages a copper ore project called Mina Justa, located in the district of San Juan de Marcona, in Ica. Cumbres Andinas S.A. is also the main shareholder of Compañía Minera Barbastro S.A.C., which has a polymetallic project in the Huancavelica region.

Note on Forward-Looking Statements

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