



MINSUR



2018 ANNUAL REPORT

MINSUR

March 27, 2018

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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 2018. Notwithstanding the responsibility of the issuer, the signatories are liable for its content pursuant to applicable statutory provisions.

Lima, March 28, 2019



Juan Luis Kruger Sayán
General Manager



Fortunato Brescia Moreyra
President of the Board of Directors

LETTER FROM THE PRESIDENT OF THE BOARD OF DIRECTORS

Dear shareholders:

On behalf of the Board of Directors of Minsur S.A., I share with you our 2018 Annual Report and Financial Statements for FY2018, presenting our work, results, activities and the most relevant achievements of our operations.

2018 has been an extremely significant year for us, mainly because our company was admitted to the International Council on Mining and Metals (ICMM), which reflects our commitment to generating value for all our stakeholders in a responsible and sustainable way. Within this framework, we reaffirm health and safety values are priority values in our company, as well as an essential part of all our actions towards becoming a benchmark in the sector and the country.

Another relevant fact this year was the agreement we entered into with Inversiones Alxar (Empresas Copec) selling 40% of our shares in Cumbres Andinas, which controls Marcobre unit. Furthermore, we secured the debt assumed by our subsidiary to build Mina Justa and started the corresponding operations. It is worth highlighting that in 2018 we reached a net utility of US\$ 144.1 million, 82% above 2017 due to this sale of shares and to refunds for taxes overpaid back in 2002.

I would like to thank our collaborators, suppliers, customers, shareholders, and members of the Board of Directors for contributing to our company's sustainable development throughout the lifespan of our operations, and helping us to continue building the way to become a world-class mining company. Last but not least, I invite you to read Minsur's most relevant facts in 2018.

Fortunato Juan José Brescia Moreyra

President of the Board of Directors

LETTER OF THE GENERAL MANAGER

Dear shareholders:

It is with great pleasure that I present to you our 2018 Annual Report and Audited Financial Statements, which summarize the most relevant events in our company's management, in accordance with the requirements set forth by the Peruvian securities regulator (SMV).

Among the most outstanding events in 2018, we include the closing of Mina Justa project's financing for US\$ 900 million, for which our Board of Directors approved its participation and entering into agreements to back up our obligations in this type of project financing operations. Similarly, in 2018 we sold 40% of our subsidiary Cumbres Andinas, which controls Marcobre (owner of the Mina Justa copper project), to our new partner Alxar International SpA (Copec companies).

In the economic aspect, 2018 brought great challenges. In the international scope, due to the commercial war between the United States and China, which caused high volatility in the commodities price; and in the domestic scope, due to the political instability and corruption scandals. In spite of that the mining sector was activated, led by our Mina Justa project, which drove economic growth in Peru at a rate close to 4% in the year. In this scenario, we had very good financial and operational results in line with our mining plans.

Our effort to efficiently operate has paid off. The effect of selling larger volumes of gold, as a result of better commercial management and better cost management, allowed increasing the expected EBITDA margins and reaching 49%. This result continues reflecting our assets' financial strength.

In the social aspect, we emphasize security as our main value and an essential pillar of sustainability. Although this year the number of lost-time injuries grew as compared to last year, we have maintained a sustained downward trend over time on our recordable injury frequency rate, reaching 1.82 in 2018, 65% below of 2014's rate.

Because of our good safety performance we have received significant awards that make us proud and encourage us to continue working to keep improving, such as the John T. Ryan award and the National Mining Safety Award granted by ISEM to San Rafael and Pucamarca MU, correspondingly. In Brazil, our Pitinga unit received the 2018 Proteccion Brasil Award.

Regarding our community management, our mission is focused on sustainable value generation, both for the company and for the populations living in the areas of influence of our operations and projects. In 2018, we continued with our social investment programs, such as the Early Childhood Development Initiative at Antauta and Ajoyani. This program was acknowledged by the Ministry of Development and Social Inclusion (MIDIS) as one of the 10 successful cases reducing anemia and chronic child malnutrition in the country, due to its impact substantially reducing anemia in our areas of influence.

Furthermore, our goal is becoming a world-class mining company, and we are convinced we will succeed provided that we work hand in hand with our collaborators. Thus, we focus on offering them possibilities to grow and learn so that they can contribute to the company's success. In 2018 we continued with the talent management programs HIPOs, Sucesión, Supérate, and +Líder, and we promoted our employees' growth with over 15,000 hours of training. Moreover,

we continued having a good relationship with them, which reflects on a year of absolute labor peace, without strikes or stoppages.

In the environmental aspect, we work emphasizing our care for the environment and focusing on reducing our environmental impacts. For the first time, we measured our carbon footprint of 2017 and 2018 at all our operations, which will serve as a baseline to assess our performance in the years to come. In addition, we conducted environmental monitoring activities, under the supervision of oversight entities. We are under the maximum allowable limits and within the environmental quality standards. It is important to highlight that during this period we did not receive any sanctions for breaching any environmental laws or regulations.

It is worth highlighting that our sustainability management has been recognized worldwide since we were admitted into the International Council on Mining and Metals (ICMM). Thus, we have committed to meet the 10 principles that comprise the framework of exemplary practices towards the sustainable development of the mining and metal industry.

Last but not least, our achievements and the way we addressed challenges in 2018 would not have been possible without the invaluable contribution of our shareholders, customers, suppliers, and collaborators. We thank them all for accompanying our management and for their trust and collaboration.

Juan Luis Kruger
General Manager

1. OUR COMPANY

Minsur operates in the Mining Sector for over 40 years, and since the beginning, it has stood out for its commitment to 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.

We have operations and projects at different stages of the mining cycle that are managed under a strict management system, based on risk prevention and detection. Thus, we ensure safety, health, community development, and environmental care.

We shall emphasize that in 2018 we agreed to sell 40% of our subsidiary Cumbres Andinas, which controls Marcobre (owner of the Mina Justa copper project), to our new partner Alxar International SpA (Copec companies). Furthermore, we ensure the project funding for US\$ 900 million, for which the Board of Directors approved its participation and entering into the Completion Agreement that backs up Marcobre and Cumbres Andinas obligations in this type of project financing operation.

As part of our continuous improvement process, we were admitted to the International Council on Mining and Metals (ICMM), which gathers 27 leading mining companies from around the world and over 30 regional associations. ICMM vision is to make the metal mining a respected industry trusted to operate responsibly and contribute to sustainable development. We are the first Peruvian mining company, the third in Latin America, and the world's first tin producer entering to this institution.

Our mining concessions amount in total to 248,452 hectares: 223,716 correspond to our operations in Peru and 25,125 to those in Brazil.

Table. Our operations and projects

	Location	Company	Unit / project	Main products
Operations	Puno, Ica, Peru	Minsur S. A.	San Rafael MU SPR Pisco	Tin
	Tacna, Peru	Minsur S. A.	Pucamarca MU	Gold
	Sao Paulo, Brazil	Mineração Taboca S. A.	Pitinga MU SPR Pirapora	Tin and ferroalloys
Exploration projects	Puno, Peru	Minsur S. A.	Santo Domingo	Tin
	Puno, Peru	Minsur S. A.	Nazareth	Tin
	Huancavelica, Peru	Compañía Minera Barbastro S. A.C	Mina Marta	Copper
Expansion projects	Ica, Perú	Marcobre S. A.C	Mina Justa	Copper
	Puno, Peru	Minsur S. A.	Tailing Reuse project B2	Tin
Closing mines	Puno, Peru	Minera Sillustani S. A. C.	Mina Regina	NA
	Huancavelica, Peru	Compañía Minera Barbastro S. A. C.	Mina Marta	NA

Our operations

Currently we have five operations, three in Peru and two in Brazil.

San Rafael MU

- Location: Melgar province, Puno department, Peru
- Start of operations: 1977
- Estimated life of mine: 10.7 years
- Type of operation: underground tin mine
- Processes: concentration and flotation
- Average ore grade: 1.79 %
- Production in 2018: 18,601 tons of tin
- Certifications: ISO 14001, ISO 9001, OHSAS 18001

Since 2016, San Rafael MU is working with the innovative ore sorting process. It is a German technology that allows analyzing rock composition using X rays to identify those with tin content and sort them according to their ore grade, i.e. their level of tin concentration.

In 2018, the project to recover and enhancing the pre-concentration plant ended, and the strengthening (jet grouting) and heightening of the tailings dam B3 continued in order to ensure safe deposit of tailings produced by the operation. Furthermore, the filling of the gap generated by the mining activities ended, which objective was stabilizing the underground mine to be able to extract ore from the upper part of the deposit.

San Rafael Mu works with the SPR of Pisco, in an integrated way, to produce and sell refined tin with an average purity of 99,95 %, and tin-based alloys. It is one of the firsts to use the submerged lance technology to process tin concentrate in the world, which allows cost and production time efficiency.

SPR of Pisco

- Location: Pisco province, Ica department, Peru
- Start of operations: 1996
- Type of operation: tin smelting and refining
- Processes: submerged lance smelting furnace
- Ore grade: 38 %
- Production in 2018: 18,601 tons of tin
- Certifications: ISO 14001, ISO 9001, OHSAS 18001

Pucamarca MU

- Location: Palca province, Tacna department, Peru
- Start of operations: 2013
- Estimated life of mine: 6 years
- Type of operation: open pit mine of gold (main) and silver
- Processes: absorption, desorption, recovery (ADR)
- Ore grade: 0.6 grams per ton (g/t)
- Production in 2018: 103,538 ounces of gold
- Certifications: ISO 14001, ISO 9001, OHSAS 18001

Pucamarca MU, located at the border with Chile, has an average *cash cost* of 4.4 Dollars per treated ton (USD/tt). Through the crushing and leaching processes ore size is reduced and metal is separated from the rock. Then, it is smelt in an electric furnace to obtain dore bars of 60 % to 70 % of purity.

Pitinga MU, bought in 2008 through our subsidiary Mineração Taboca, is the world's largest tin ore reserve and has an estimated life of mine of 32 years.

In 2018, the fragmentation process was improved by changing the mining plan to optimize transport levels and mean distance, in order to significantly increase ore transport efficiency. Moreover, feeding conditions and pile levels affected plant stability and productivity, which generated a negative impact in terms of efficiency.

Operational stability of niobates was also consolidated this year, allowing sales and production strategies to be aligned.

Pitinga MU
<ul style="list-style-type: none"> •Location: State of Amazonas, Brazil •Start of operations: 1982 •Estimated life of mine: 32 years •Type of operation: tin, niobium and tantalum open pit mine •Processes: concentration and flotation •Treated ore grade: 0.20 % of tin and 0.27 % of niobium and tantalum •Production in 2018: 6,814 tons of tin contained in concentrate •Certifications: ISO 9001

SPR Pirapora
<ul style="list-style-type: none"> •Location: Sao Paulo state, Brazil •Start of operations: 1973 •Type of operation: smelting plant and tin refinery •Processes: electric smelting furnace •Cassiterite grade: 47.5 % •Production in 2018: 6,498 tons of tin •Certifications: ISO 9001, ISO 14001

The SPR of Pirapora is vertically integrated with tin production of Pitinga MU. This plant processes cassiterite concentrates and turns them into a high-quality refined tin of 99.97% of purity.

In 2018 the operational process for ore processing in the furnace, through the feeding formula and tin (Sn) concentrate consumption as sinter. This year, the concentrate sintering process also improved, increasing the furnace processing capacity. Thus, tin fine production and recovery grew.

New exploration projects

To ensure business continuity, we explored new ore deposits. At the end of FY2018, 123,247 hectares were added to our exploration portfolio.

Santo Domingo
<ul style="list-style-type: none"> •Location: Melgar province, Puno department, Peru •Mineral: tin, silver, lead, zinc and gold •Start: 2013 •Investment in 2018: US\$ 1,6 million

Santo Domingo is an exploration Project located 40 kilometers away from San Rafael MU. In 2017 two areas with high ore-shoots were defined: the first with high tin mineralization and the

second one with base metals. In 2018 our strategy focused on working with the communities to expand the exploration area and, then, drill. Furthermore, surface maps were conducted to identify other interesting anomalies.

Though drilling was not conducted in 2018, the main progress of the project was the design of a 3D model of the deposit, estimation of inferred resources, and expansion of the exploration study area. A new shoot, which is 400 meters long, was found. It has high tin content in the vein splits. Moreover, parallel structures were identified with polymetallic and tin-copper shoots in the Santo Domingo vein projections and neighboring veins. A high level of coincidence of magnetic and geo-chemical anomalies was confirmed.

Nazareth

- Location: Melgar province, Puno department, Peru
- Mineral: tin
- Start: 2013
- Investment in 2018: US\$ 9,9 million

Nazareth is an exploration project that is 5 kilometers away from San Rafael MU, and its purpose is to expand its life of mine. In 2018 a 36,000 meter drilling program on 50x50m grid, aiming at converting inferred resources into measured or indicated resources.

In 2018, out of 100% of inferred resources, 47 % were converted to indicated and 4% to measured resources. Due to the results, Stage 3 of the drilling program was initiated and it will be completed in the first quarter of 2019. This stage aims at verifying the extension of tin-rich vertical splays of low depth, and improve the ratio between indicated and measured resources over inferred resources in the C area, up to 3,950 meters.

Mina Marta

- Location: Huancavelica province, Huancavelica department, Peru
- Mineral: copper and gold
- Start of project: 2012
- Investment in 2018: US\$ 1,1 million

In 2005 Mina Marta was purchased by our subsidiary Compañía Minera Barbastro S.A.C. Currently, post-closure works of the former operation are being conducted, as well as an exploration project in unexploited neighboring areas.

At the beginning of 2018 the drilling stage -initiated in 2017- was completed. Furthermore, the alteration and structural geological mapping were updated. In addition, we worked to get a permit to explore an interesting area, where we expect to find high-grade gold-copper. In 2019 we expect to conduct drilling works in that area and in-depth to expand our knowledge on the deposit.

Expansion projects

Mina Justa

- Location: Nasca province, Ica department, Peru
- Mineral: copper
- Investment up to 2018: US\$ 295 million
- Total progress made: 14.4 %

This future mine is comprised of two different types of mining resources: a superficial layer of copper oxide and a deep and massive body of copper sulfurs. The project shall use seawater instead of natural sources of drinking water. We estimate the life of the mine to be of 21 years (2 years building, 16 of operation and 3 of closure). It is expected to start operating by the end of 2020.

The main milestones in 2018 were the approval of the project implementation stage; the sale of 40% of Alxar shares (Copec companies); the signature and closing of the US\$900 million financing agreement in record time; the start of disbursements; and the start of the construction stage.

Tailing reuse B2

- Location: Melgar province, Puno department, Peru
- Mineral: concentrated tin
- Accumulated investment: US\$ 90,4 million
- Total progress: 64 %

This project is developed within San Rafael MU and it aims at implementing a plant that will allow reusing tailings deposited at the B2 tailings dam during the first years of exploitation, with high tin content. The processing and final disposal of tailings have been designed meeting international standards and the sector's best practices. This shall help to properly apply new technologies that will facilitate a closure that meets environmental requirements.

At the end of 2017, the project implementation stage started with 7'600,000 metric tons of tailings, with an average tin grade of 1.05 %. This project shall contribute to producing 45,000 tons of fine tin during a life of mine of 9 years.

At the end of 2018, 64% of the project was implemented and the main milestones were: the construction of the staff hotel, administrative offices, workers' camp, and pave slabs; as well as the assembly of the gravimetry building's and electrical rooms' covering. Moreover, the assembly of the Isa Mill started, the main sub-station transformer was installed and the earthwork for the tailings transport and water recovery system was initiated.

Closing operations

Mina Regina

- Location: San Antonio de Putina province, Puno department, Peru
- Investment in 2018: US\$ 5,3 million
- Start of closure: 2014

Mina Regina is in the last stage of closure. This stage started in 2014, aiming at achieving its physical, geo-chemical, hydrological, biological and social stability. For that purpose, the mining components that were part of old mining activities generated by the former owner were closed. This comprises the closure of a tailings dam, rehabilitation of a pond, the closure of a pithead with drainage and the infrastructure components -such as the former concentrating plant-, closure of mining works and the implementation of an industrial water treatment plant to meet the maximum permissible limits (MPL) pursuant to Peruvian laws.

Regina MU has a closure plan for environmental mining liabilities approved by the Ministry of Energy and Mining (MEM). The plan states that the final closure stage shall be completed in 2019 and the post-closure stage in 2029. The main achievements in 2018 were the cleanup of the impacted pond, almost entirely cleaned, and the closure of pitheads and landfills.

Mina Marta

- Location: Huancavelica province, Huancavelica department, Peru
- Investment in 2018: US\$ 0,9 million
- Start of closure: 2014

This mine was acquired in 2005, through our subsidiary Compañía Minera Barbastro S. A. C. After reviewing the returns of the existing operation in 2013, it was decided to stop operating it and start the closure process. This process was initiated following the closure plan approved by the Ministry of Energy and Mining (MEM).

It is worth mentioning that Marta MU has a mine closure plan approved by the MEME. The closure stage was completed in December 2017 and its post-closure process started in 2018, which would be completed by 2020. This year, the regulations on rehabilitation and maintenance of closed components have been complied with.

1.1. HISTORICAL OVERVIEW

Our origin dates back to the beginning of the XX century when Lampa Mining Company was operating in the Puno region. From that company and decades later, in 1966, Minsur Sociedad Limitada was established. It was the Peruvian branch of Minsur Partnership Limited in the 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 also extracted copper in a small-scale and temporarily. Since 1996, we have the Smelting Plant and Refinery (SPR) of Pisco.

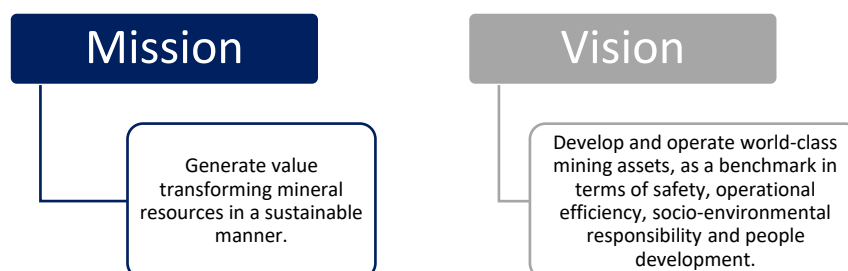
In 2008, through Minera Latinoamericana S.A.C. -in which we are the majority shareholders- we became the main shareholder of Mineração Taboca S.A., company operating Pitinga mine in Brazil, from which tin, niobium, and tantalum are mined. Taboca is also the owner of the Smelting Plant of Pirapora, in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

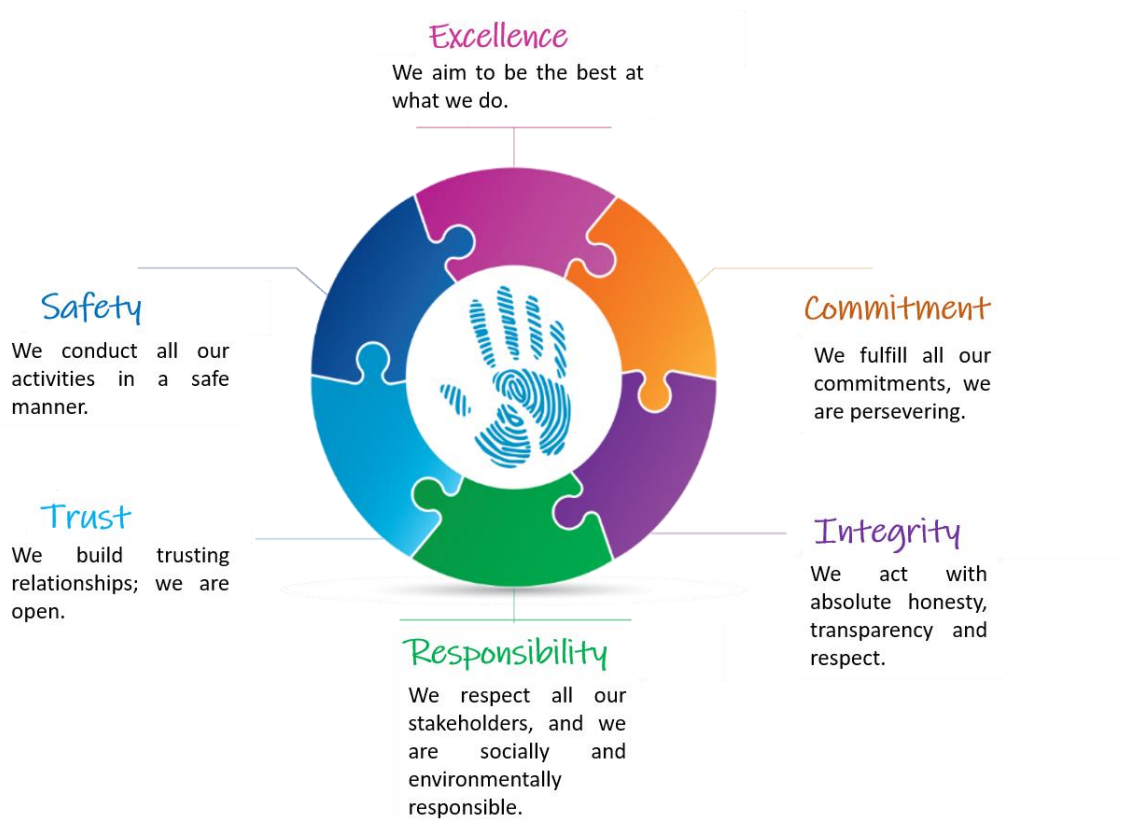
Furthermore, we are the majority shareholder of Cumbres Andinas S.A., which owns through subsidiaries –and since 2018- 60% of Marcobre SAC shares, a company developing copper ore project called Mina Justa, located in the district of San Juan de Marcona, in Ica. It is worth mentioning that Cumbres del Sur S.A. is the main shareholder of Compañía Minera Barbastro S.A.C., which has a polymetallic project in Huancavelica region, and of Minera Sillustani S.A.C., which has several concessions in Puno region.

1.2. VISION, MISSION AND VALUES

The mission and vision of our company together with its values, reflect our commitment with responsible management that drives sustainability at all levels of the organization: from the decision-making process to their implementation. Moreover, they unify the course of action of the whole staff.

Graphic. Our mission, vision





Graphic. Our values

1.3. BOARD OF DIRECTORS AND MANAGEMENT STRUCTURE

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

1.3.2. 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.

Minsur Board of Directors

Table. Our Board of Directors

President	Fortunato Brescia Moreyra
Vicepresident	Alex Fort Brescia
Directors	Rosa Brescia de Fort
	Mario Brescia Moreyra
	Pedro Brescia Moreyra
	Jaime Araoz Medanic
	Miguel Aramburú Álvarez-Calderón

Proposals to form the Board of Directors come straight from the Board of Shareholders, allowing the election of Alternate Directors. Currently, our alternate director is Miguel Ángel Salmón Jacobs.

There are two Committees in the Board of Directors:

- **The Audit and Risk Committee**, which is responsible for reviewing the audit plan; monitoring the results of internal audits, the risk matrix and mitigation plans; as well as for verifying performance against the Code of Ethics and Integrity Channel. These duties were formerly conducted by a Corporate Committee with the same name at the level of Breca Group.
- **The Talent and Remuneration Committee**, responsible for validating performance from the General Manager's direct reports, the performance bonus from direct reports, salary review from direct reports and development plans from direct reports; among other duties.

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

1.3.3. Managers

Our structure adapts to the great growth and diversification processes of our mining operations. Our leadership is evidenced in our Directors, who are chosen based on their talent, trajectory, and values, thus enriching the company's management with their experiences, professionalism and commitment.

We promote a dynamic and horizontal way of working, in line with modern management.

Table. Our 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
Director of Human Resources	Álvaro Escalante Ruiz
Director of Internal Audit	Rafael Salazar Tafur/Hik Park

2. ECONOMIC AND SECTORAL CONTEXT

2.1. 2018 ECONOMIC ENVIRONMENT

In 2018 the Peruvian economy recovered and grew 4.0%, within a context driven by high metal prices, the beginning of a new mining investment cycle, the recovery of public investment and the good performance of agricultural exports. Growth was balanced and it was supported by better results obtained by most economic sectors, except for the mining and hydrocarbon industry.

GDP by economic sector

Table. Percentage variation of the physical volume index as compared to the same period in the former year¹

Sector	2018	2017	2016
Agriculture and livestock	7.5	2.6	2.7
Fishing	39.7	4.7	-10.1
Mining and hydrocarbons	-1.3	3.4	16.3
Manufacturing	6.2	-0.2	-1.4
Construction	5.4	2.1	-3.2
Trade	2.6	1.0	1.8
Services	4.4	3.3	4.0

On the demand side, GDP growth was driven by an increase in consumption and investment, in both the private and public scope. On the other hand, GDP was also favored by the good performance of goods and services exports (2.5%) and imports (3.4%).

Inflation, measured by the evolution of the consumer prices index of Lima Metropolitana, reached 2.2% in 2018, higher than that of the former year, and within the target range established by the Central Reserve Bank. This increase responds mainly to higher prices in the food industry, which have a great weight in the estimation, and to public and private investment recovery.

Regarding public finances, the fiscal deficit was 2.5% of GDP, reversing the annual trend after five years. Current revenues of the Central Government grew 13% due to larger tax revenues.

¹ Source: Central Reserve Bank of Perú (BCRP)

Furthermore, non-financial expenses grew 7.3% due to an increase in current expenditure at the three levels of government: national, regional and local.

The deficit in the current account of the payment balance increased as compared to the former year, reaching -1.5% of GDP; however, it is still below the last ten years' average. This year's result corresponds to a larger service deficit because in 2017 there were extraordinary revenues associated with the Niño Costero phenomenon and the performance bond for the Peruvian Southern Gas Pipeline.

Table. Main macroeconomic indicators²

Indicators	Unit	2018	2017	2016
GDP growth rate	%	4.0	2.5	4.0
Growth in domestic demand	%	4.3	1.4	1.1
Fiscal balance	% of GDP	-2.5	-3.2	-2.6
Current account balance	% of GDP	-1.5	-1.2	-2.7
Inflation	%	2.2	1.4	3.2
Exchange rate	S/ per Dollar, end of FY	3.38	3.24	3.36

In the international scope, 2018 had a very good first half, with a rise in commodity prices to levels not seen since 2016. However, growth decelerated in the second half due to an increase in the US interest rates, the economic downturn in China, the trade war between the United States and China, and tensions in the Eurozone. Within this context, the United States grew 2.9%, reaching the largest increase since 2015. On the other hand, the Eurozone grew 1.8%, the lowest growth since 2014, within a context of uncertainty due to the Brexit affair.

2.2. 2018 SECTORAL ENVIRONMENT

The metal mining sector fell -1,3%, due to lower production of gold, silver, lead, copper, and molybdenum, which was partially offset by a larger production of tin and iron. Notwithstanding, mining investments grew 26% mainly due to the construction of Quellaveco and Mina Justa projects and the expansion of Toromocho.

Domestic production of copper, Peru's main export, fell 0.1% as compared to the former year. The reduction is mainly due to lower production at Las Bambas, which processed lower-grade ore in 2018. The main producers were Cerro Verde, Antamina and Las Bambas, contributing to the domestic production in 20,3%, 18,9%, and 15.8%, correspondingly.

Gold production was 6.1% lower than 2017's production due to Yanacocha's and Barrick's decreased production. The two main gold producing regions, La Libertad and Cajamarca reported lower volumes that were partially offset with a larger production in Arequipa, Ayacucho y Puno.

Zinc extracted volumes reported a slight increase of 0.1% as compared to the previous year. Antamina produced the third part of domestic production thanks to a 7.5% increase in relation to 2017. This larger production was partially offset by the lower production of Milpo and Volcan.

² Source: Central Reserve Bank of Perú (BCRP)

In the international context, metal prices were higher during the first half of the year, as compared to the second half, when they followed a downward trend, ending the year with mixed results. The average tin price stood at the same level than the previous year, stabilizing after the fall in 2015. On the other hand, copper, gold and zinc prices grew 6%, 1% and 1% as compared to 2017, respectively. On the contrary, lead and silver prices dropped 3% and 8%, correspondingly.

Table. Percentage variation of Mining production growth (%)³

Sector	2018	2017	2016
Copper	-0.4	3.9	40.1
Gold	-6.1	-1.2	4.2
Zinc	0.1	10.2	-5.9
Silver	-5.8	-1.6	6.6
Molybdenum	-0.4	9.2	27.8
Lead	-5.7	-2.4	-0.4
Iron	8.3	14.9	4.7
Tin	4.6	-5.2	-3.7

2.3. MARKET PERFORMANCE IN 2018

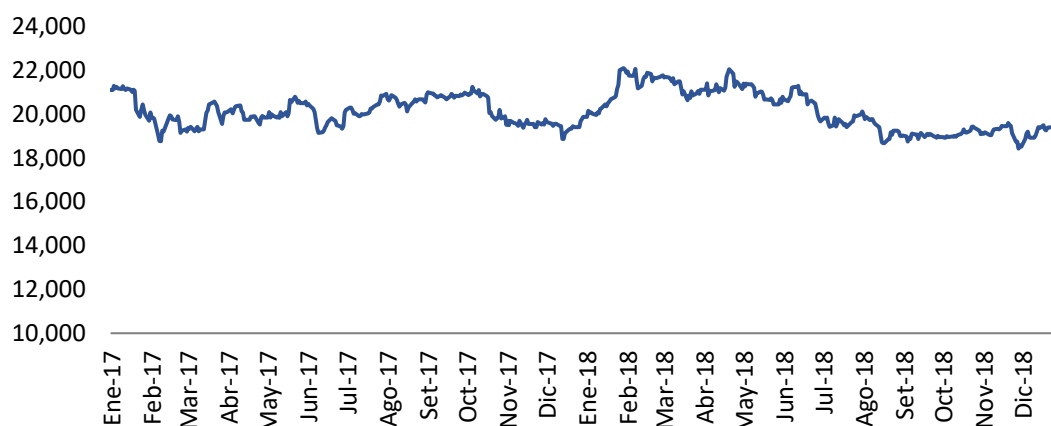
Tin

In 2018, tin price experienced high volatility, rising rapidly in January to a maximum of US\$ 22,050/t, which had not been seen since November 2016. In August the price dropped to a minimum of US\$ 18,675/t (-16%). The average tin price in 2018 was US\$ 20,156 per ton, only 0.26% above the average price in 2017, a year with similar volatility.

The high volatility of tin was explained first -during its upward trend- by new export quotas established in Indonesia -the world's second tin producer- that restricted its global supply. The geopolitical environment in Indonesia is volatile and restrictions are usually lifted months after being imposed, thus the upward trend was followed by a downward one (normalization) in the second quarter, as licenses were approved again and export quotas were lifted. The second half of the year was characterized by a steep drop and explained by an escalation in the trade war between the United States and China, and also accompanied by China's lower growth perspectives and the subsequent lower demand of base metals, including tin.

Graphic. International tin price (US\$ per ton)

³ Source: Ministry of Energy and Mining, and National Institute of Statistics and Informatics (INEI)



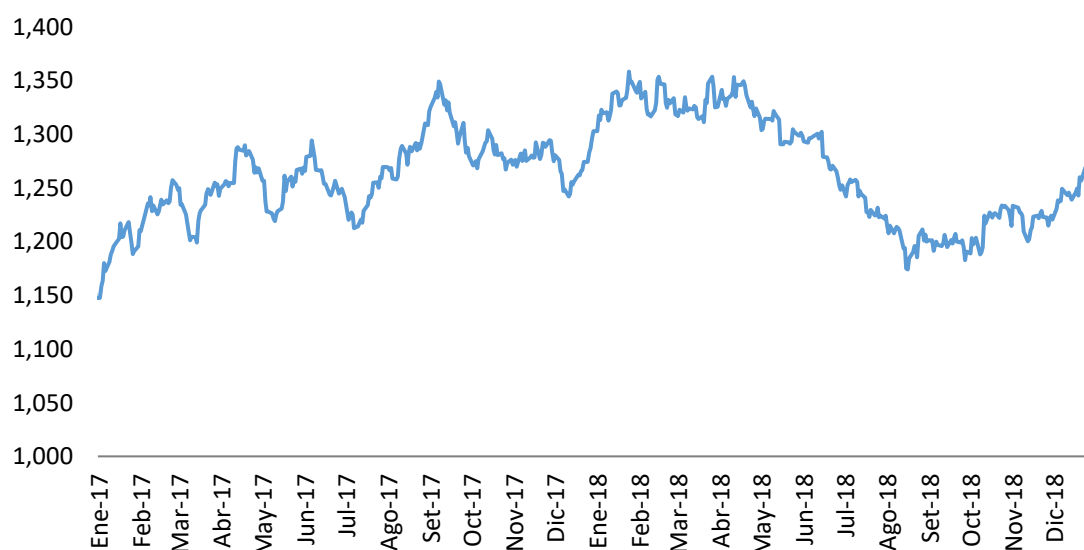
Gold

The price of gold rose in the first weeks of 2018 to \$ 1,349/oz, maximum price of the previous year. From there, it fell to a minimum of \$1,174/oz, then recovering and closing the year at \$ 1,282/oz. The average gold price was USD 1,269/oz, 1% above the average price in 2017.

In 2018 gold continued to be below the maximum levels of the last 5 years. Its market is still characterized by a solid global supply, with a weak end-use demand that has been fed by the use of gold as a safe-haven asset.

In the last quarter of 2018, gold appreciated 8.4% due to the pessimism caused by China's growth, the trade war with the US, and the *repricing* of the US Federal Reserve. The repricing effect occurred because the Fed changed its perspective and will not continue increasing rates at such a rapid frequency as it has been previously assumed by the market. Since high rates are usually associated to a weak gold price, the change in expectations slightly helped the metal.

Graphic. International Price of Gold (US\$ per ounce)



3. OPERATING PERFORMANCE

3.1. MINING UNITS AND PROJECTS

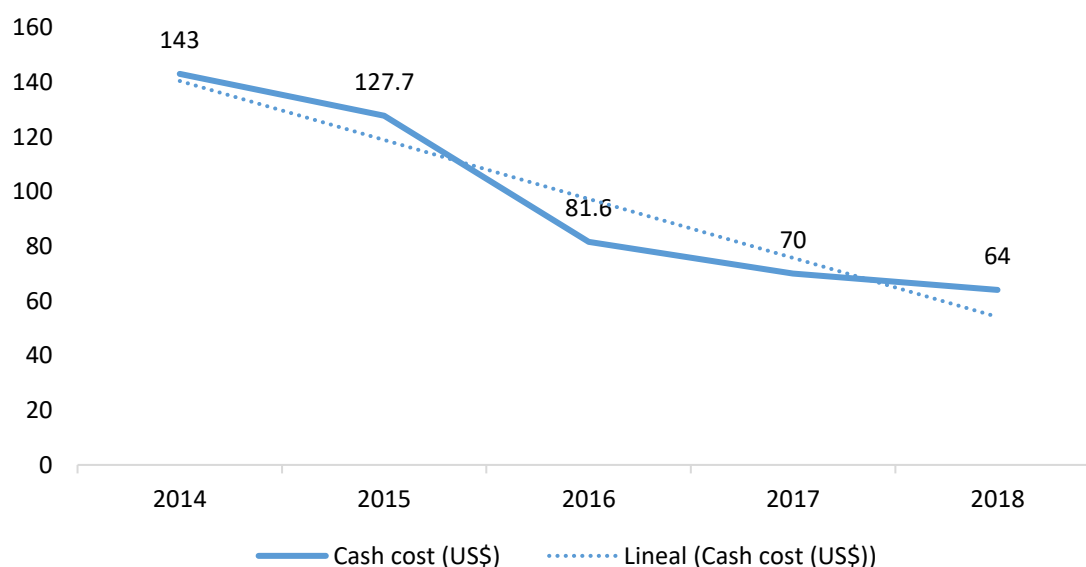
3.1.1. San Rafael MU

2018 was a year of good operating results, we increased production and reduced our costs as compared to the former year. Moreover, during the first quarter, we restarted activities at the “Ore Sorting” pre-concentration plant, which was under maintenance, and we expanded the project’s lifespan after conducting tests in other low-grade stockpiles.

Production increased by 5% as compared to 2017, reaching 18.6 thousand tons of tin contained in concentrates. This was mainly due to a larger volume fed to the concentrator and a larger recovery in the process (93.39% in 2018 against 92.16% in 2017).

Cash cost per treated ton was US\$ 64, significantly lower than in 2017 (US\$ 70). This was mainly due to lower operating costs, as a result of less linear progress, lower operational dilution and increased treated tons (+10%), because the “Ore Sorting” pre-concentration plant operated for longer hours.

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



During this period we invested around US\$ 18 million in three main initiatives; the heightening of the tailings dam B3, the restart of the Ore Sorting pre-concentration plant operations and the enhancements of our ventilation systems.

Table. Output indicators

Category	Indicator	Unit	2018	2017	2016
Mine	Extracted mineral	T	1'084,700	1'049,707	1'101,190
	Extracted ore grade	% Sn	1.56	1.52	1.69
	Progress	M	18,724	27,478	29,461
Plant	Treated mineral – Total plants ⁴	T	1'871,288	1'700,443	1'434,808
	Treated mineral – Concentrator plant	T	1'134,926	1'101,853	1'047,506
	Treated ore grade	% Sn	1.75	1.75	1.97
	Total recovery	%	93.39	92.16	90.87
	Fine Sn	T	18,601	17,791	18,789
	Plant utilization	%	98.24	99.62	98.96
Mining unit	Cost per ton treated	US\$/tt	64.0	70.0	81.6

Table. San Rafael MU indicators

Indicator	Unit	2018	2017	2016
Diamond drilling	M	38,444	40,204	39,874
Resources volume				
• Calculated tonnage	t	1'921,096	1'539,390	1'271,243
• Calculated Sn grade	%	2.45	1.83	2.27
• Calculated fine Sn	t	47,109	28,134	28,891
Total concentrate produced	t	48,407	46,457	40,464
Total concentrate grade produced	%	38.43	38.30	46.44

Table. Resources of San Rafael

Type	Location	Cut-Off Sn %	Kt	Sn %	Content Sn TM
Measured	Underground	0.39	4,676.1	2.60	121,800
	Stockpiles	0.18	48.4	0.66	300
Total Measured			4,724.5	2.58	122,100
Indicated	Underground	0.39	4,069.9	1.87	76,100
	Stockpiles	0.18	611.2	0.35	2,100
Total Indicated			4,681.1	1.67	78,200
Total Measured + Indicated			9,405.6	2.13	200,300
Inferred	Underground	0.39	2,360.0	2.12	50,000

⁴ 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.

	Stockpiles	0.18	92.1	0.46	400
Total Inferred			2,452.2	2.05	50,400

Tabla. Reserves of San Rafael MU

Type	Location	Cut-Off Sn %	Kt	Sn %	Content Sn TM
Proven	Underground	0.48	3,722.5	2.10	78,200
Probable	Underground	0.48	3,670.4	1.62	59,500
Total Underground			7,392.9	1.86	137,700
Proven	Stockpiles	0.18	48.8	0.60	300
Probable	Stockpiles	0.18	602.4	0.33	2,000
Total Stockpiles			651.1	0.35	2,300
Total Reserves			8,044.0	1.74	140,000

Notes:

- Mineral resources are inclusive of ore reserves
- Mineral resources are estimated using the price US\$ 23,500/t Sn (including a US\$ 500/t premium for the quality of refined tin)
- Ore reserves are estimated using the price US\$ 20,500/t Sn (including a US\$ 500/t premium for the quality of refined tin)
- Ore reserves are defined using a cut-off grade equal to the average cut-off grade calculated for 4 different mining methods).
- 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, Amec Foster Wheeler Perú S.A.

3.1.2. SPR of Pisco

Refined tin production amounted to 18,339 tons, and the biggest challenge was maintaining the production 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 allowing a 12.3-month-long campaign.

The cash cost for the period increased from US\$ 306/tt to USD 350/tt due to the smaller processed volume, mainly due to less marginal slag fed during the process.

Our main investments in 2018 (US\$ 880,800) focused on improving the Control System hardware and changing the necessary equipment for the sustainability of the smelting plant and refinery.

Table. Production in Tons

Category	Indicator	Unit	2018	2017	2016
Plant	Sn concentrate fed	T	48,139	46,619	40,335
	Sn grade in concentrate	%	38.38	38.45	46.48
	Marginal slag fed	T	30,915	36,792	52,842
	Sn grade in the marginal slag fed	%	1.30	1.31	1.31
	Rotatory furnace slag fed	T	1,091	1,036	1,069
	Sn grade in rotatory furnace slag	%	15.58	15.28	15.19

Refined tin production⁵	Kt	18,339	18,033	19,573
Recovery	%	97.15	98.14	100.86
Tin grade waste slag	%	0.58	0,61	0.63
Smelter utilization	%	89.18	90.56	96.93
Refinery utilization	%	48.16	48.75	46.88

3.1.3. Pucamarca MU

In 2018, gold production at Pucamarca grew 6% as compared to the previous year. According to its objectives, production was sustained in 21,000 tpd. As a consequence, production in this period exceeded 103,000 ounces of gold, in line with the deposit's mining plan.

Pucamarca is still one of the world's less expensive gold mines. The cash cost per treated ton in 2018 reached US\$ 4.4, 3% higher in relation to 2017. This cost increase is mainly due to tests conducted to process ore from Morrenas area, which will start being partially mined in 2019, and which has been included in the mining plan.

It is worth emphasizing that studies were completed and it was confirmed that it is feasible to use the Azufre River to ensure availability of a new water source for the operation. Construction of the water treatment plant is ongoing, and it is expected to start up in 2019 to supply the MU.

On the other hand, we continued with the exploration program "Pucamarca Regional", which aims at defining potential exploration targets to increase the life of mine. In 2018, investments were mainly focused on building PAD 3B, dump, landfill, water plant and providing maintenance to our equipment.

Graphic. Cash cost per treated ton (US\$/tt)

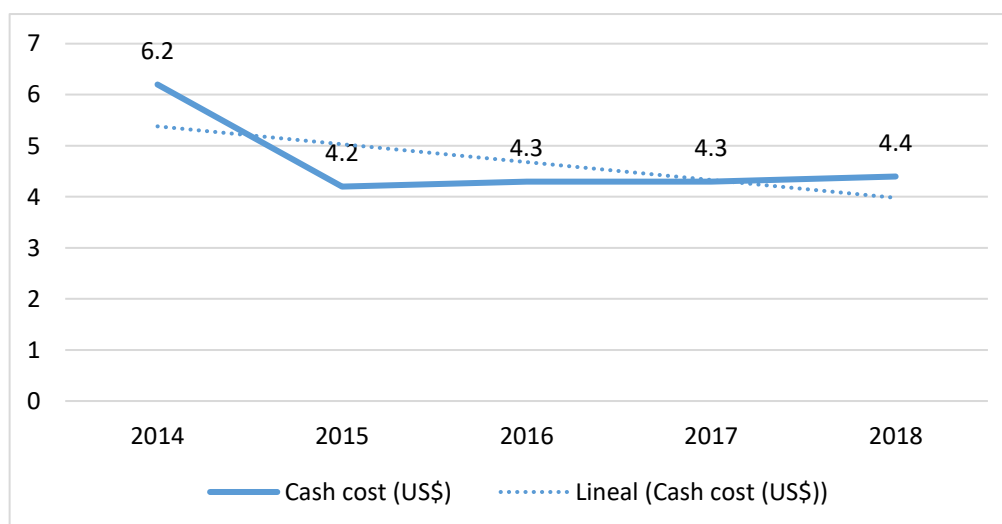


Table. Output indicators

Category	Indicator	Unit	2018	2017	2016
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⁵ Including fines contained in alloys.

Mine	Treated mineral	T	8'242,116	7'715,582	7'692,322
	Extracted ore grade	g/t	0.6	0.5	0.5
PAD	In-PAD ore	t	8'219,641	7'801,777	7'692,322
	In-PAD ore grade	g/t	0.6	0.5	0.5
Planta	Gold ounces produced	oz	103,538	100,010	105,659
	Historical recovery	%	74.64	75.84	74.88
	ADR plant utilization	%	98.01	98.01	98.01
Mining unit	Cost per treated ton	US\$/tt	4.42	4.33	4.30

Table. Resources of Pucamarca MU⁶

Type	Cut-Off Au (g/t)	Mt	Au g/t	Content Au Koz
Measured	Variable	26.1	0.44	366.2
Indicated	Variable	27.8	0.43	383.0
Total Measured + Indicated		53.9	0.43	749.2
Inferred	Variable	6.8	0.28	61.4

Table. Reserves of Pucamarca MU⁷

Type	Cut-Off Au (g/t)	Mt	Au g/t	Content Au Koz
Proven	Variable	14.6	0.52	243.4
Probable	Variable	19.3	0.50	308.1
Total Reserves		33.9	0.51	551.5

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.
- The Au price to estimate Mineral Resources is US\$ 1,400/oz.
- At Morrenas, the limit for estimating resources and reserves at the Peru-Chile border has been reconsidered in 30 m (before it was 100 m) pursuant to laws into force.
- The Au price to estimate Ore Reserves is USD 1,200/oz.
- Mineral Resources and Ore Reserves have been audited by Amec Foster Wheeler Perú S.A., an independent external auditor.

3.1.4. Minera Taboca

In 2018 we consolidated Mineracao Taboca's *turnaround*. This process was initiated in 2016 with the company's organizational restructuring and implementation of several productivity enhancement projects in 2017 and 2018.

⁶ COG Checocollo (0.11), Morrenas (0.15), Caldero (0.16)

⁷ COG Checocollo (0.12), Morrenas (0.18), Caldero (0.19)

These facts are reflected in the financial results, with 2018 being the second consecutive year in which Taboca reported positive EBITDA to the Company, with a record of US\$ 54 M.

PITINGA MU

2018 brought great challenges and successes to Pitinga MU. Despite the low availability of equipment in mine, a record ferroalloys production was achieved: 3,981 tons, 22% above former year's production, mainly due to improvements of the niobite flotation recovery. At the same time, tin production was 6,814 tons, 2% below 2017.

Cash cost per treated ton was USD 20.2, with a 7% increase as compared to 2017, mainly due to higher costs because of a greater use of power generators resulting from reduced power supply by the hydroelectric plant caused by lack of rain. Notwithstanding, the *by-product credit cash cost* was USD 8,572 (25% below the former year's one). The latter is calculated based on produced tin tons and it considers the ferroalloy production value.

In 2018, we implemented initiatives focusing on optimizing processes and improving production, implementing supervision systems to maintain the results obtained.

Graphic. Pitinga MU: Cash-cost per treated ton (US\$/tt)

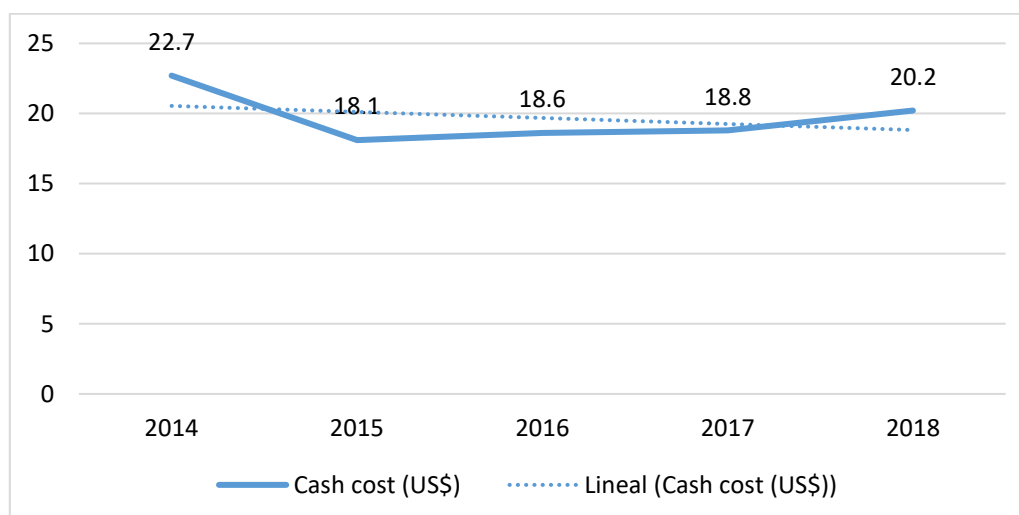


Table. Pitinga MU: Output indicators

Category	Indicator	Unit	2018	2017	2016
Mine	Extracted mineral	T	7'052,053	6'998,528	6'384,275
	Sn grade in extracted mineral	%	0.20	0.20	0.20
	(NbTa) ₂ O ₅ grade in extracted mineral	%	0.27	0.27	0.25
Plant (concentration)	Ore treated in concentration	t	6'130,427	6'675,575	6'306,939
	Sn grade in ore treated in concentration	%	0.20	0.20	0.20
	(NbTa) ₂ O ₅ in ore treated in concentration	%	0.27	0.26	0.26

Plant (tin flotation)	Cassiterite	t	14,301	14,489	14,178
	Sn grade	%	47.64	48.19	48.49
	Tin content	t	6,814	6,983	6,875
Plant (metallurgy)	Columbite concentrate	t	10,430	8,901	4,664
	(NbTa) ₂ O ₅ grade	%	36.11	37.06	37.11
	Ferroalloys (FeNb, FeTa, FeNbTa) produced	t	3,981	3,119	1,840
	NbTa grade content	%	59.12	50.60	51.91
Mining unit	Cost per treated ton	USD/tt	20.2	18.8	18.6

Table. Resources of Pitinga MU

Type	Cut-Off NSR (\$/t)	Mt	Grade			Content		
			Sn %	Nb ₂ O ₅ %	Ta ₂ O ₅ %	t Sn	t Nb	t Ta
Measured	10.85	90.9	0.170	0.209	0.028	155,000	190,000	25,000
Indicated	10.85	176.8	0.129	0.198	0.027	228,000	350,000	48,000
Total Measured + Indicated		267.8	0.143	0.202	0.028	383,000	540,000	73,000
Inferred	10.85	95.1	0.116	0.192	0.027	110,000	182,000	26,000

Table. Reserves of Pitinga MU

Type	Cut-Off NSR (\$/t)	Mt	Grade			Content		
			Sn %	Nb ₂ O ₅ %	Ta ₂ O ₅ %	t Sn	t Nb	t Ta
Proven	10.87	92.7	0.175	0.209	0.028	163,000	194,000	26,000
Probable	10.87	116.8	0.140	0.201	0.028	164,000	235,000	33,000
Total Reserves		209.5	0.155	0.205	0.028	326,000	429,000	59,000

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.
- The Sn price used to estimate Mineral Resources is US\$ 23,394/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.
- Sterile material within the pit design equals 32.0 Mt.
- Mineral Resources and Ore Reserves have been audited by Amec Foster Wheeler Perú S.A., an independent external auditor.

SPR OF PIRAPORA

In 2018, initiatives were implemented to increase efficiency in our processes. The result is reflected in an increase of the total tin recovery, which went from 83% in 2017 to 87% in 2018. This allowed producing 6,498 tons of refined tin, which is 1% below last year's production since in 2017 we outsourced the processing of volumes of tin.

Table. SPR of Pirapora: Output indicators

Category	Indicator	Unit	2018	2017	2016
Plant	SN concentrated fed – cassiterite	T	14,214	14,182	13,122
	Ore grade % in cassiterite	%	47	47	46
	Concentrate in slag fed	T	6,696	6,568	5,595
	Sn grade % in marginal slag concentrate	%	20	18	18
	Sn Recovery	%	87	83	83
	Refined Sn production	T	6,498	6,582	5,873

3.1.5. Tailing Reuse Project B2

Our Tailing Reuse project B2 plays an essential role for San Rafael MU, and thus we take the necessary actions to properly plan its development. It has 7'600,000 MT of tailings with 1.05% tin grade on average, which shall contribute to producing 45,000 tons of fine tin, during a life of mine of approximately nine years.

In 2018 we started the construction stage, which is being carried up according to the schedule and under the highest safety and environmental standards, reflected in our results. The concentrating plant B2 is expected to start up operations at the end of 2019.

Table. Resources of Project B2

Type	Cut-Off Sn %	Kt	Sn %	Content Sn t
Measured	0.30	3,886.3	1.10	42,800
Indicated	0.30	3,703.5	1.00	37,100
Total Measured + Indicated		7,589.8	1.05	79,900
Inferred	0.30	97.3	1.33	1,300
Total Resources		7,687.2	1.06	81,200

Table. Reserves of Project B2

Type	Cut-Off Sn %	Kt	Sn %	Content Sn t
Proven	0.44	3,900.0	1.08	42,100
Probable	0.44	3,706.3	0.98	36,300
Total Reserves		7,606.3	1.03	78,400

Notes:

- Mineral Resources are inclusive of Ore Reserves
- Data for estimating Mineral Resources was obtained through sonic and rotating drilling.
- The Sn price used to estimate Mineral Resources is US\$ 23,500/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 and ore reserves have been audited by Amec Foster Wheeler Perú S.A., and independent external auditor.

3.2. EXPLORATIONS

In 2018, we made progress in the exploration of the two main tin projects identified during the 2014-2015 campaign in Puno department, south of Peru, as part of our strategic growth.

- Nazareth Project.** The Nazareth Stage 2 infill drilling program continued in 2018, aiming at converting inferred resources -defined with Stage 1 Infill Drilling in 2015-2016– into indicated and measured resources. The second infill diamond drilling campaign Nazareth Stage 2 was completed in June 2018, having reached 63,778 meters. Directional diamond drilling was used and 48% of inferred resources were converted into indicated and measured ones.

The required geotechnical, hydrogeological and engineering studies were conducted for the project's development. A new directional drilling campaign started in 2018: Nazareth Infill 3, focused on increasing the percentage of inferred and measured resources in the deep area of the deposit, below 4,200 meters and with a 16,500 meter program.

Table. Mineral Resources of Nazareth

Classification	Cut-Off Sn (%)	Volume Mt	Grades					TMF
			Sn %	Zn %	Pb %	Cu %	Ag g/t	Sn
Measured	0.67	0.16	1.52	1.16	0.38	0.66	56.99	2,448
Indicated	0.67	4.08	1.37	0.67	0.16	0.71	37.05	55,850
Measured + Indicated	0.67	4.24	1.38	0.65	0.16	0.70	36.23	58,296
Inferred	0.67	4.66	1.39	0.50	0.14	0.49	25.20	64,578
Total	0.67	8.90	1.38	0.57	0.15	0.59	30.45	122,876

In the Nazareth project, an infill diamond drilling campaign of 7,552.2 meters was implemented, in a 110x100 meter grid, aiming at confirming the economic potential of the upper area of the Nazareth vein system for silver oxide-type mineralization (Ag) live extraction and Ag leaching methods were considered through a heap cyanidation process. 1.25 Mt @ 158.1 g/t Ag were calculated in inferred resources, using a *cut-off* of 80 g/t, which represents 6.4 Moz of Ag content.

- Santo Domingo Project.** In our advanced tin project, explorations continued with a detailed geological mapping and geochemical sampling of the 1,250 hectares at the extension of the mineralized vein system Santo Domingo, Pucara, Casahuallata and Basilio, in the northwest. A new mineralized shoot was identified on the Santa Domingo vein, 1.5 kilometers away from the last diamond drilling, which is 400 meters long and runs along the vein's course, with high levels of tin, zinc, copper and silver in the surface.

- **Quenamari regional project.** It includes the whole tin-producing district of San Rafael MU and the Nazareth project. A traditional and a directional diamond drilling of 8,974.5 meters was conducted, aiming at confirming the tin potential of Quenamari, San Gregorio and Julias structure in their deep areas, but results were negative. The program also intended to confirm the presence of economic tin mineralization at the extension of Nazareth vein, in the northwest and southeast, outside the already known ore body.

Deep drilling confirmed the presence of economic tin mineralization in the continuation of the Nazareth's vein, in 300 additional meters going northwest, but below the 3,800-meter limit. At the extension of Nazareth's vein, the southeastern area of the program, we identified a new ore shoot, 700 meters away from the ore body. Therefore, the mineralized system runs along 1,500 meters from northwest to southeast.

- **Mina Marta Project.** Explorations in the copper project were completed, at the beginning of 2018, with an infill diamond drilling campaign of 8,315.4 meters. The objective was closing the ore body laterally in the southwestern area of the deposit. The project continued developing the rest of the year with a geological mapping and geochemical campaign in detail in the 10,025-hectare concessions of the Breca Mining Division companies, adjacent to the Marta project's area. Several potential targets for detailed exploration were identified.

Table. Mineral Resources of Mina Marta

Classification	Volume	Grades			
	Mt	Cu %	Au g/t	Au oz	Mo %
Measured	58,885,284	0.433	0.161	303,864	0.016
Indicated	56,800,043	0.440	0.160	291,821	0.016
measured + indicated	115,685,327	0.436	0.160	595,471	0.016
Inferred	5,712,367	0.435	0.091	16,776	0.016
Total	121,397,694	0.436	0.157	612,384	0.016
Waste	101,791,853				
Strip ratio	0.84				

- **Mina Justa Project.** An intense brownfields exploration campaign continued in the surrounding areas of the future mining operation. We completed 918 meters of RC drilling and 17,347.75 meters of traditional diamond drilling. The program focused on determining the economic potential of the Escondida target, close to the eastern edge of the future Mina Justa pit, with positive results.

We continued with the geological mapping, geochemical sampling, and terrestrial and aerial geophysical surveys. New targets for IOCG explorations were identified, and also possibly for copper porphyry explorations as well. An intense brownfields exploration campaign shall continue in 2019, in the areas close to the future Mina Justa pit, and RC and traditional diamond drilling works shall start in the far away targets of future mining operations, such as Achupallas, Clavelinas and Miramar, identified during previous campaigns.

At the same time, we continued with our regional exploration program to assess our mining properties. We closely reviewed over 15,880 hectares of our own mining property and 8,563 hectares owned by third-parties in the 5 projects. We assessed 5 copper and gold projects in Peru and Colombia aiming at expanding the territorial reach of our operations and continuing with the commodities diversification process.

As of December 31, 2018, we drilled a total of 82,427.9 meters, from the surface in exploration projects. Out of the total drilling works, 57,938.2 meters were drilled in projects located in a 25 km perimeter around San Rafael MU; 19,009 meters in our Mina Marta and Mina Justa copper projects; and 5,481 meters in the neighboring areas of our Pucamarca gold mine, in Tacna department. Our investment in these exploration projects amounted to US\$ 28 million in 2018.

A total of 74,000 meters of diamond drilling is estimated for 2019 in all our projects and those of our subsidiaries. The main focus shall be the development of tin projects in San Rafael district and our two main copper projects: Mina Justa and Mina Marta.

3.3. HUMAN RESOURCES

Our organization brings together people from diverse cultures, with different professional experiences and skills, who contribute with a diversity of perspectives. They remind us, day by day of our company's infinite possibilities, and with their values, talent, efforts, and dedication they lead us towards achieving our goals.

Our priority is identifying leaders and promoting development for them to build a sustainable world-class business. Thus, our Human Resources department works constantly to strengthen our human capital's performance, through a strategy reflecting the significance of meritocracy, talent, culture, and leadership.

Table. Number of Minsur collaborators

Category	2016		2017		2018	
	Permanent	Temporary	Permanent	Temporary	Permanent	Temporary
Employees	353	17	312	15	339	15
Officers	45	0	65	0	49	0
Workers	838	1	762	60	785	37
Subtotal	1 236	18	1 139	75	1173	52
Total	1 254		1 214		1225	

Talent development and retention

At Minsur we encourage our collaborators' professional development providing them with opportunities to participate in several training programs. Thus, in all our operations, we have

people in charge of managing training and development processes, as well as performance assessment processes, according to our corporate guidelines.

- **+Líder Program,**
We need more leaders to achieve our vision and become a Peruvian world-class company. For that reason, the **+Líder program** was born, which has three different components for different target groups.

The first component focuses in the senior management, both at our administrative offices and at our operations. In 2018, we implemented courses that were designed to provide our leaders with tools allowing them to effectively manage internal communications and talent attraction. The other two components focused on the mid-level officials and professionals. Thus, we had the support of *Universidad Peruana de Ciencias Aplicadas* (UPC), which conducted courses on conflict management and cognitive flexibility.

- **Supérate Program**
We continued with the implementation of our program *Supérate*, destined to train our operating staff on technical skills necessary for their daily activities. Each year we select and support some collaborators, among technicians and operators, to develop their skills and capacities. Training is in charge of Tecsup institute.

In Minsur, we believe it is essential to develop our collaborators, that way contributing to their professional and personal development, whilst at the same time receiving great benefits towards achieving our goals. In 2018, we provided over 150 thousand hours of training to our collaborators.

Table. Hours of training

Gender	Nº of employees	Nº of training hours	Average hours
Male	2,570	139,302.59	54.20
Female	247	11,095.11	44.92
Total	2,817	150,397.70	53.39

Performance assessment

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 competencies (behaviors and soft skills). Each collaborator's final assessment is comprised by five sub-stages: 360 Assessment, Self-assessment, Evaluation by direct supervisor, calibration and feedback.

The Performance Management System has an impact on leaders' responsibility as real people managers.

3.4. SOCIAL MANAGEMENT

Our mission is focused on generating sustainable value transforming mineral resources. For that purpose, the company has a social management strategy supported on the following three pillars: Effective relationship-building, Social Investment and Monitoring of social risks.

Relationship-building with communities

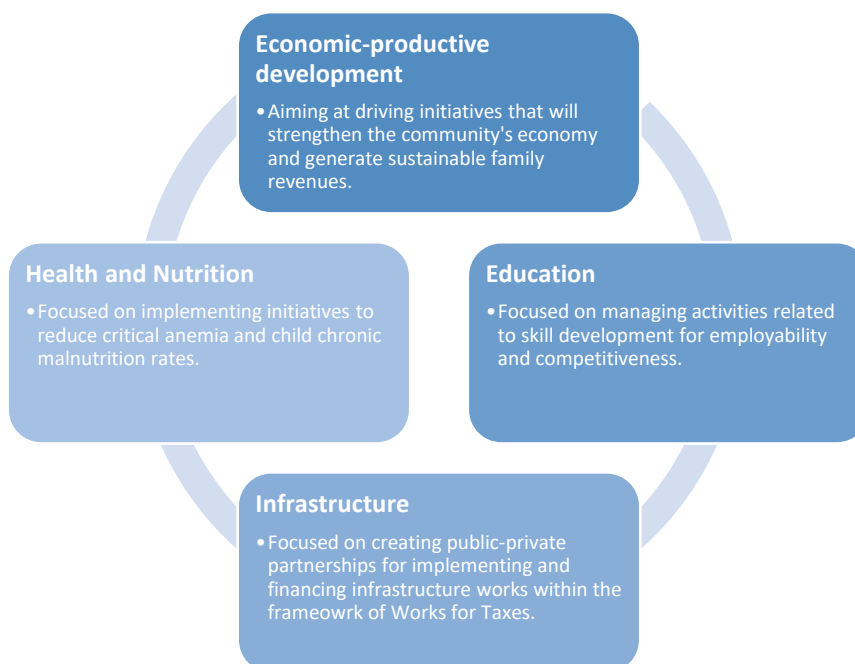
Community management in our areas of influence is focused on building long-term relationships, since the early stages of every mine. For that purpose, we use different engaging and communication mechanisms, which naturally varies according to the operation unit or project, and several factors, such as involved stakeholders, their customs, specific risks in the area and local laws.

In Minsur we attentively received our stakeholders' opinion to continuously improve our performance and we listen to their concerns in a timely manner. Local people may channel their complaints, claims or suggestions through several means, on a unit or project basis, such as Permanent Information Offices, field visits, complaint forms, among others.

Our social investment

Minsur contributes to the sustainable development of neighboring communities, strengthening local capacities from gender, social inclusion, and intercultural perspective. For that purpose, we take into account the specific needs of each community with which we interact, and the promotion of a multi-actor approach (State-community-company).

Our local development programs and initiatives are based on four investment lines:



Our operating units and exploration and expansion projects' management design and implement local development activities, according to the specific needs of their areas of influence, thus their initiatives are independent. Most of these activities are designed within the investment lines of economic-productive development and education.

At **San Rafael**, comprehensive programs of productive development are implemented, with a cross-cutting impact on the basins, such as the livestock fence program in the San Juan, Larimayo and Antauta basin; the barn project in the Antuata basin and in Ajoyani district, and the *Fibra Emprendedora* (Fiber entrepreneurship) program in Antauta district. Furthermore, the Early Childhood health care program (SAMI) was strengthened, which organizes workshops on child nutrition and early stimulation with groups of parents and implements playgrounds. Campaigns and traditional events were supported, such as school campaigns and the Qocha Raymi.

Productive projects continued being implemented at **Pucamarca**, such as the strengthening of breeding and marketing techniques for small animals in the peasant community of Vilavilani, and strengthening of food-crop related skills in the peasant community of Palca. Moreover, a water dam was built to irrigate 5,200 m³ and 3 greenhouses in the schools of Vilavilani and Palca communities.

Besides, educational and safety material was implemented at the schools of Palca and Vilavilani, and the courtyard of the Palca school was improved. Training on child nutrition was also provided

At **Pisco** we conducted two comprehensive development programs, the Sumaq Maqui project that promotes social inclusion and the self-esteem of people with different skills, through courses on jewelry-making techniques and entrepreneurship for craftspeople with different skills, and the Peace Culture project for craftspeople of the Santa Cruz area.

Furthermore, we promoted the elimination of intrafamily violence in partnership with the *Centro de Emergencia Mujer* (Women Emergency Center - CEM) of Pisco; we strengthened the skills of vulnerable populations together with the Blind People's Association *los Ojos del Alma* (Ailoda), and developed social and labor skills of our local entrepreneurs and prioritized collaborators through socio-psychological techniques.

We also invest in our projects

Our social investment is not limited to the areas where our mining units operate, but we also develop programs and actions contributing to the social, economic and institutional development of communities located in our project's areas of influence.

In the **Santo Domingo project**, short-term programs were developed, such as animal health and pasture campaigns to benefit 300 farmers; a school campaign in coordination with the schools and the Parents Association (Apafa), and a health campaign with an impact on 310 people. Moreover, we supported 8 livestock fairs of the Ñuñoa district, benefitting 600 farmers, and warm houses were built for 30 beneficiaries of the Huaycho Agricultural Production Cooperative.

Furthermore, working together with the Social Management Committee of the Peña Azul peasant community, and responding to their needs, we developed an infrastructure project, building a workshop for vicuña shearing.

Some training and infrastructure programs were conducted in the Condoraque community at **Mina Regina**. The second stage of the project to install a preserved module for grassland recovery was completed. The installation of a productive module for technical breeding of trout was initiated, and training on mechanized shearing were conducted.

Other programs were developed in the Tinyaclla peasant community at **Mina Marta**, such as the enhancement of the livestock protection system (alpaca and sheep), as well as training on knitting (with needles and/or crochet), directed to the community's women. Support was also provided to treat anemia in children younger than 5, and a campaign was organized to address the cold wave and build community premises.

3.5. ENVIRONMENTAL MANAGEMENT

Minsur conducts its businesses with a permanent emphasis on environmental care and the reduction of environmental impacts. Our framework of corporate policies integrates cross-cutting sustainability principles ensuring due-diligence is implemented in all the company's processes and operations.

Pirapora, Pisco, Pucamarca and San Rafael operations have received the ISO 14001 certification, an international certification that provides the organizations a framework to protect the environment. Though Pitinga MU has not yet received this certification, all our operations and projects have the same Environmental Management System (EMS), which was designed based on the ISO 14001.

Our EMS is guided by our Sustainability Policy and is implemented in line with the EMS Corporate Manual; which includes environmental management and operation standards. These are

adopted by the entire staff (employees and contractors) in operation and support processes, and allow ensuring that legal requirements are met at all mining stages.

It is important to point out that, in line with the ICMM principle that aims at continuously improving its members environmental performance, in 2018 we reviewed our environmental management and operating standards and the results shall be approved in 2019 to be implemented.

The EMS has 5 fundamental pillars that are in line with Minsur’s mission and vision.



Minsur assesses environmental impacts at all stages of the life of mine, from the exploration stage to post-closure activities. Thus, we have the following tools:

Internal audits	Environmental performance indicators	Environmental monitoring	Environmental supervision
<ul style="list-style-type: none"> • Are conducted to determine the operations' degree of compliance with the Environmental Management System and applicable legal requirements, as well as to validate EMS efficacy. In the event that underperformance is detected, the unit's or project's Environmental Supervisor will implement the corrective actions requested in the final audit report and, then, will prepare a report on the result of implementing such actions. Cross-audits are also conducted. 	<ul style="list-style-type: none"> • On a monthly basis, Environmental Supervisors record and assess environmental performance indicators (EPI). These are used to measure and monitor environmental impacts and potential risks. These indicators are reported to the Environmental Manager in monthly meetings to identify and define improvements to be implemented. 	<ul style="list-style-type: none"> • In the areas of influence of our units and projects we have established monitoring points for the competent authorities to continuously assess noise and air, soil and water quality. Supplementarily, in some units we have implemented participatory environmental monitoring engaging communities of areas of direct influence. 	<ul style="list-style-type: none"> • Our environmental performance is periodically supervised by the Agency for Environmental Assessment and Enforcement (OEFA) in Peru; the Institute of Proteção Ambiental do Amazonas (IPAAM) in the Amazonas region, and the Companhia Ambiental do Estado de São Paulo (CETESBI) in Sao Paulo region, in Brzsil. The objective is verifying that laws and environmental management tools, permits processes, mandates or provisions by competent bodies are complied with, as well as other sources of environmental obligations subject to supervision.

Water management

We seek to reduce the amount of water consumed in all our mining activities, by managing it efficiently. This has been included in all units’ infrastructure design, in our operations, by reusing and recycling a great part of consumed water, as well as in the different water saving initiatives developed in each of them.

Our environmental teams control the quality and quantity of water periodically meeting legal requirements and our own operating standards. Additionally, and as a proof of transparency, we schedule monitoring activities with the participation of members of our local communities.

It is worth mentioning that this year no significant sources were affected due to water extraction.

Table. Water extraction by source (thousands of m³/year)

Source	San Rafael MU	Pucamarca MU	SPR of Pisco	Pitinga MU	SPR of Pirapora
Surface water	1,933	1	0	8,918.10	0
Underground water	7,627	369	247.829	0	79.62
Rainfall water directly collected and stored by the organization	0	0	0	0	0
Total	9,561	370	247.829	8,918.10	79.62

Table. Volume of effluents by type (thousands of m³/year)

Type of effluent	San Rafael MU	Pucamarca MU	SPR of Pisco	Pitinga MU	SPR of Pirapora
Industrial effluents	8,676	0	0	0	0
Domestic effluents	58	0	7.76	196,516	10.03
Total	8,734	0	7.76	196,516	10.03

Waste management

All our units have a solid waste collection program of the network of depots, implemented by a specialized contractor. The material is separated and recirculated to the process, while others, such as timber, are disposed of by a certified and authorized Service Provider Company. For solid waste collection, transport and disposal in authorized landfills or treatment plants, we have a service provider company that has been certified by DIGESA (General Directorate of Environmental Health).

Furthermore, we constantly raised awareness of the whole staff on solid waste generation and proper disposal during production, maintenance, logistics operations, among others.

Table. Amount of hazardous and non-hazardous waste by type of disposal (t/year)

Type of disposal	San Rafael MU	Pucamarca MU	SPR of Pisco ⁸	Mina Justa	Pitinga MU	SPR of Pirapora
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⁸ In the SPR of Pisco hazardous and non-hazardous waste are recorded by type of waste, but measurement by type of disposal has not yet been implemented.

Hazardous waste						
Recycling	94	55	0	0	69	2
Security landfill outside the unit	346	41	0	18.79	0	0
Incineration	0	0	0	0	51	5.96
Subtotal	445	95	30.81	18.79	120	7.97
Non-hazardous waste						
Reuse	122	168	0	0	0	0.32
Recycling	1,351	0	0	0	42	5.53
Composting	9	54	0	0	0	0
Incineration (mass burning)	0	0	0	0	139	0
Landfill outside the unit	1,35	156	0	183.40	90	53.84
Landfill inside the unit	369	0	0	0	17	0
Subtotal	1,986	378	260.70	183.40	288	59.59
Total	2,431	473	291.51	202.19	408	67.65

Emission management

Minsur considers it is very important to control emissions generated by its mining activities to prevent altering air quality, protect the environment and safeguard the staff's and neighboring communities' health. Thanks to control and monitoring measures, the levels of emissions meet the maximum permissible limits established by the law. These included noise, dust and gas monitoring.

As a result of our commitment to reducing greenhouse gas emissions and preventing global warming, in 2018 we measured for the first time our carbon footprint with ISO 14064-1 standards and GHG Protocol. We repeated this action at the beginning of 2019, aiming at obtaining results that could be compared with our baseline. It is worth pointing out that measurements were conducted by a consultant and the results have not been audited, but we plan to do it in the short term.

Table. Results of measuring our carbon footprint 2017 and 2018

Scope	Result (in tCO ₂ eq)	
	2017	2018
Scope 1: Direct emissions	202,039.60	212,431.29
Scope 2: Power consumption emissions	39,600.85	39,725.89
Scope 3: Indirect emissions	13,368.08	15,590.31
Total Carbon Footprint	255,008.53	267,747.50

Table. Variation of emissions per unit

Unit	Variation 2017-2018	Analysis
Lima Office	139.3%	The main source of emissions, air travels, have increased significantly (x3).
Pucamarca MU	6.7%	Larger fuel consumption for mobile machinery. Moreover, electric power consumption also increased (+8%).
SPR of Pisco	1.4%	Though emissions decreased due to a reduced use of the Thermal Power Plant, this effect is countered by larger fuel consumption of stationary equipment and coal use as a reducing agent.
San Rafael MU	-6.3%	Lower fuel consumption is reported by contracted mobile machinery, and in addition there is lower electricity consumption (-3%)
Pitinga MU	13.1%	A significant increase in fuel consumption for electric power generators, due to low water periods decreasing hydroelectric power generation.
SPR of Pirapora	11.4%	Significant increase of coal use as a reducing agent (+37%)

Energy management

We reaffirm our commitment to being responsible in the fight against climate change every day. This commitment engages us to continuously improve our environmental standards, promote awareness on environmental protection, and to constantly and preventively monitor our operations.

Our aim is to use energy more efficiently and to reduce emissions to the environment. Thus, in Minsur, we measure and record the levels of power consumption at all our units and projects.

Table. Total energy consumption (GJ)

Consumption	San Rafael MU	Pucamarca MU	SPR of Pisco	Pitinga MU	SPR of Pirapora
Total fuel consumption	262,651.00	239,812.33	573,592	137,301	0
Total electric power consumption	147,830.00	73,133.17	90,197.12	550,980.00	139,058.05
Total energy consumption	410,481.00	312,945.50	95,578.12	688,281.00	139,058.05

3.6. OCCUPATIONAL HEALTH AND SAFETY

Minsur promotes a zero accident culture because we firmly believe all people have the right to go back home in the same health and physical conditions they had when they came to work.

Being aware of the hazards of mining activities, which could have a serious impact on workers' life and health if they are not managed on time, Minsur has an occupational health, hygiene and safety management system based on the OHSAS 18001 standard, the best occupational health and safety practice of world-class mining companies, and legal provisions on occupational health, hygiene and safety applicable to their activities.

Our system is also in line with other safety standards for the mining industry in the United States: CFR 29-1910 (OSHA) and CFR 30-56/57 (MSHA). Effectiveness of the Occupational Health, Hygiene, and Safety System is based on visible leadership and the promotion of safe behaviors and risk control for critical activities.

Other safety actions

- The semi-virtual health and safety training program called “School for Health and Safety Leaders” was completed, with 6 modules and 120 training hours. We strengthened technical knowledge and soft skills of professionals and technicians developing safety and health activities in Minsur.
- We prepared the administrative standard for workers’ accommodation or housing.
- We strengthened the Safety Observer Program “Miners protecting miners”. It aims at recognizing and promoting safe behavior at work, as well as proactively correcting unsafe behaviors. 200 workers participated, 10% of our workforce.
- We developed campaigns to prevent finger and hand injuries: *Cero Está en Tus Manos 2018* (“Zero is in your hands 2018”).
- We conducted the II Meeting of Strategic Partners of the Breca Mining Division. During the ceremony, our contractors and suppliers with the best health and safety performance were awarded.

Occupational Health and Safety Performance

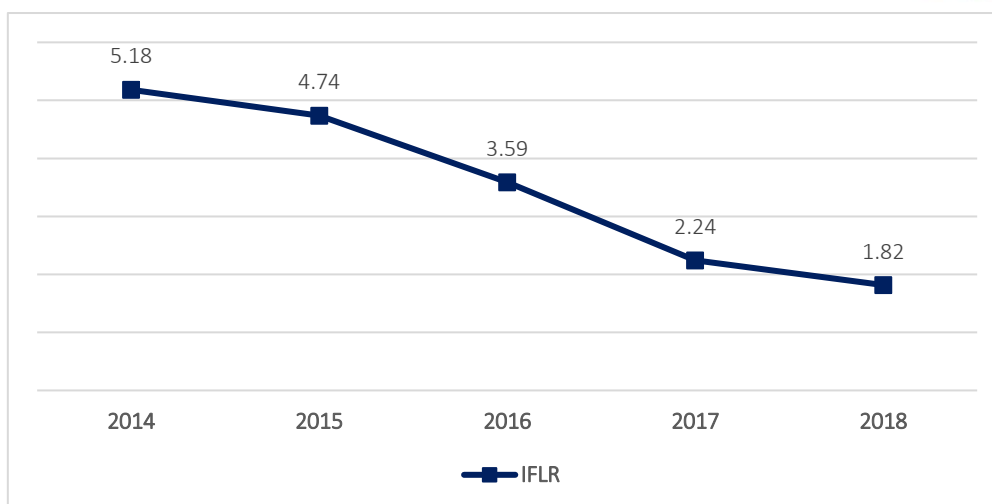
In 2018, no fatalities were reported in our operations, for the third consecutive year. 9 lost-time injuries were reported (7 in Peru and 2 in Brazil), out of which 3 (33.3%) were employees and 6 were third parties. None of these accidents caused permanent disabilities.

We also had 33 recordable injuries (20 in Peru and 13 in Brazil), out of which 14 (42.4%) were employees and 19 were third parties. Thus, we reduced the Lost-Time Injury Frequency Rate by 53%, as compared to 2014.

Table. Accident indicators between 2014-2018

Indicator	2014	2015	2016	2017	2018
Fatal accidents	0	1	0	0	0
Accidents resulting in loss of workdays	9	4	7	3	9
Recordable injuries	70	60	49	33	33

Graphic. Recordable injuries frequency rate



Awards

In April 2018, safety performance in the mining sector in Peru was recognized during the XXI National Mining Safety Contest in Peru, organized by the Institute of Mining Safety (ISEM). Two of our operations were awarded:

- San Rafael MU: Safety Trophy, First position in the underground category.
- Pucamarca MU: Safety Plaque of Honor, Second position in the open pit category.

One month after, in May 2018, La Positiva Seguros, occupational accident insurer, granted us the “Excellence and Quality” award for our outstanding management to prevent occupational risks and our safety performance in 2017.

The most remarkable award we received in 2018 was the International mining safety award John T. Ryan, granted to the safest mining company of the last three years. During the award ceremony our following operations were recognized:

- San Rafael MU: Award to Mining Excellence and the Safest Underground Mine in Peru.
- Pucamarca MU: Safest Open pit mine in Peru.

In August 2018, Pitinga operation, in Brazil, obtained a bronze plaque during the Protection Brazil 2018 award, for being the third in the health and safety information and communication category.

3.7. MARKETING

In the commercial scope, metal prices strengthened especially tin price, which was stable in 2018. We took advantage of this condition to continue our investment plan, aiming at consolidating our position in this industry.

As part of this plan, in 2018 we started building the treatment plant B2, having completed 64% of the project by the end of the year. This is important since our customers expect to be served by a safe, reliable and responsible supply source, like ours. This includes both effective customer service and a growth-oriented strategy.

In 2018 we continued working to strengthen the relationship with our customers, focusing on presenting the main features of our products, mainly tin. A significant change for our 2018 strategy, and on, was centralizing sales management through a new sales manager posted in Lima, who is responsible for marketing tin from Pisco and Pirapora.

Value proposal for our customers

In 2018 we studied the possibility to relaunch our SusTINable brand strategy aiming at consolidating our position as a benchmark company in the tin market, delivering a product with a solid identity in terms of sustainability, which is associated to traceability and corporate responsibility.

2019 will be the launching year, and we expect good results, with our brand being the first one in our customers' mind. This positions us as a brand generating a higher shared social value with our customers, while improving our product's competitiveness.

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

In 2019 we will keep on developing more optimization strategies, taking advantage of our current leading position under the SusTINable brand, and thus generating more value for our company.

We continued with the same strategy for gold marketing: we refine Dore and we sell refined gold and silver to Banks, Traders and in some cases even to the refineries we work with. We continued using the advantages generated by the competition among them, maintaining an excellent relationship with the entire value chain.

Regarding ferroalloys, in 2018 our long-term relationship with critical customers in the tantalum industry consolidated, thus consolidating long-term agreements with them. Hence, our goal towards 2019 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 2018 our management focused on improving productivity and reducing costs and expenses at all operating units. As a result, we obtained excellent financial and operating results in line with our plan. It is worth noting that tax refunds paid in excess in 2002 favored our FY results and allowed us maintaining a sound financial position.

In 2018 the Tax Court decided to uphold the complaint for income tax overpaid in 2002, related to the sale of Backus stocks. As a result the Tax authority has duly complied with the Court decision, redetermining the Income Tax for the FY 2002, and refunding two checks of S/. 202 M and S/. 48 M on October 5, 2018.

Table. Profits and losses

Item	Unit	2018	2017 ⁹	Var (%)
• Net sales	USD MM	491.4	489.1	0.5%
• Cost of sales	USD MM	(244.3)	(236.5)	+3%
Gross profit	USD MM	247.1	252.6	-2%
• Selling expenses	USD MM	-3.8	-3.2	+20%
• Administrative expenses	USD MM	-34.9	-31.7	+10%
• Exploration and project expenses	USD MM	-27.4	-26.8	+2%
• Other operational expenses, net	USD MM	-6.0	11.6	N.A.
Operating profit	USD MM	175.0	202.5	-14%
• Financial income and (expenses) and others, net	USD MM	37.1	-19.6	N.A.
• Results of subsidiaries and associated companies	USD MM	-44.1	-38.7	+23%
• Exchange difference, net	USD MM	-3.6	-1.0	N.A.
Income before tax	USD MM	164.4	143.2	+15%
• Income tax	USD MM	-20.2	-64.1	-68%
Net profit (loss)	USD MM	144.1	79.1	+82%
• Net margin	%	29%	16%	
EBITDA	USD MM	242.5	259.1	-6%
• EBITDA margin	%	49%	53%	

Our sales

Net sales were US\$ 491.4 MM in 2018, slightly above 2017, due to larger volumes of gold sold (+9%), which were partially offset by the lower volume of tin sold (-3%).

The volume of tin sold fell 3% in 2018, as compared to 2017, reaching 17,493 tons, due to market uncertainty in the last quarter of 2018, caused by the trade war between the United States and China, the Brexit and the US government partial shutdown. In this context, demand slowed down and prices dropped. Therefore, commercial strategies were implemented updating the 2018-2019 sales plan.

Our sales to North America and Europe represented the two main destinations of tin produced this year (48% and 39% correspondingly). Sales to Europe fell 4% and to North America 1% as compared to 2017's sales. Last but not least, sales to Asia grew 5% as compared to the previous year, while local sales and sales to the rest of South America continued at the same level.

Regarding gold, the volume sold grew 9% as compared to 2017, reaching 101,177 ounces. Such increase is due to a larger gold production in Pucamarca, mainly because of the larger volume of ore placed in the Pad (+5%) and a higher ore grade (+15%). 100% of gold sales had the United States as destination.

⁹ 2017 considers financial information reviewed under the International Financial Reporting Standards (IFRS)

In 2018, a Technical-Commercial Committee was formed, which will be in charge of constantly developing value generation initiatives for our products, aiming at capitalizing on improved margin opportunities, and foster the loyalty of current and potential customers.

Table. Sales per product line (US\$ million)

Sale detail	Unit	2018	2017	Variation
Tin	t	17,493	17,946	-3 %
Gold	oz	101,177	93,118	+9 %

EBITDA

EBITDA in 2018 was US\$ 242.5 MM, 6% lower than the previous year. This fall responds to the positive impact of RIMAC stocks' sale for US\$21.3 MM last year. Moreover, larger administrative expenses (+10%) and sale expenses (+20%) were reported, due to different consultancies and studies carried out during the year.

As a result, the impact of a larger volume of gold sold, better commercial management and attraction of customers, and better cost management allowed increasing expected EBITDA margins and reaching a level of 49%. This result continues reflecting the financial soundness of our assets.

NET PROFIT

Net profit in 2018 amounted to US\$ 144.1 million, as compared to US\$ 79.1 million in 2017. Variation is mainly due to the refund of overpaid tax in 2002, and the sale of Rimac's stocks in 2017.

4.2. LIQUIDITY

The cash balance and cash equivalents amounted to US\$ 608.7 million, 23% higher than at the end of 2017 (US\$ 495.0 million). This cash balance considered deposits in cleared funds, which were not considered cash in the balance.

The increase responds mainly to the tax refunds for overpaid taxes in 2002.

Table. Cash flow

Cash flow	Unit	2018	2017	2016
Initial balance	US\$ MM	202.8	341.2	383.0
Operation activities	US\$ MM	213.5	153.1	167.7
Investment activities	US\$ MM	-209.3	-142.0	-209.5
Financing activities	US\$ MM	-6.0	-68.4	0.0
Final balance	US\$ MM	200.1	202.8	341.2
Long-term investments as cash¹⁰	US\$ MM	408.8	292.3	165.6
Final balance (includes investments)	US\$ MM	608.9	363.3	506.8

¹⁰ 2 funds available in less than 24 hours

4.3. CAPITAL AND FUNDING

At the end of 2018, total financial obligations amounted to US\$ 442.1 million. As a result, net leverage ratio reached -0.7x at the end of 2018 versus -0.2x at the end of the former fiscal year.

Table. Net debt

	Unit	2018	2017	2016
Financial obligations	US\$ MM	442.1	440.8	440.1
Cash	US\$ MM	608.7	495.1	506.8
Net debt	US\$ MM	-166,6	-54.2	-66.7
Debt / EBITDA	x	1.8x	1.8x	1.8X
Net debt / EBITDA	x	-0.7x	-0.2x	-0.3x

4.4. OFFICERS RESPONSIBLE FOR PREPARING THE FINANCIAL STATEMENTS

In June 2018, Mrs. Indira Trujillo Ramirez, certified public accountant with registration number N°1545, who had served as the General Accountant since May 2015, resigned to Minsur S.A. Thus, we appointed Mr. Vladimiro N. Berrocal Gonzales, certified public accountant with registration number N°36488. In September 2018, Mr. Vladimiro Berrocal resigned and we appointed Mr. Patrick F. Alvarez Medina, certified public accountant with registration number N° 53955, who by the end of this Fiscal Year is the accountant responsible for preparing the Financial Statements.

The external auditor has been Paredes, Zaldívar, Burga & Asociados S.C.R.L., a member firm of Ernst & Young, which issued a clean audit report on our company.

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.

5.2. CORPORATE PURPOSE AND TERM

Our 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

Our company 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

Our company is part of the economic group declared to CONASEV (currently, the SMV) and the Lima Stock Exchange (BVL, in Spanish), by Inversiones Nacionales de Turismo S.A., pursuant to CONASEV Resolution N° 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, Centria, Clínica Internacional, Exsa, Intursa, Melón, Minsur, Qroma, Raura, RIMAC Seguros, RIMAC EPS, Taboca, Tasa, Urbanova. Furthermore, in partnership with the Spanish group BBVA, it shares ownership of BBVA.

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/ 100.00 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 our shares confer their holders the right to vote.

5.6. TYPES OF SHARES AND SHAREHOLDING STRUCTURE

Minsur has no shares in the portfolio of own issuance or repurchased by the company, nor have the Shareholder -during their general meeting- delegated its powers to approve the rise of capital to the Board of Directors.

At the end of FY 2018, the company only had two common shareholders, out of which only one has a larger participation than 5%.

Table. Our main shareholders

	Share	Nationality	Economic group
Inversiones Breca S. A. ¹¹	99.99995 %	Peruvian	-
Another shareholder	00.00005 %	Peruvian	-
Total	100.00000 %	-	-

Table. Common shares

Ownership	Number of shareholders	% of participation
Less than 1 %	1	0.00005 %
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, 2018, stocks issued by the company amounted to 960 999 163 shares of a nominal value of S/ 1 each.

Table. Equity stocks

Ownership	Number of shareholders	Percentage of participation
Less than 1 %	2,907	41.31 %
Between 1 % - 5 %	7	21.09 %
Between 5 % - 10 %	3	18.00 %
More than 10 %	3	19.59 %
Total	2,920	100.00 %

Table. Structure of Minsur S.A.'s subsidiaries and investments

Subsidiaries of Minsur S. A.	Ownership	Subsidiaries of Minera Latinoamericana S. A. C. and Cumbres Andinas S. A. C.	Ownership
Minera Latinoamericana S. A. C.	99.90 %	Mineração Taboca S. A. and subsidiaries	99.90 %
		Inversiones Cordillera del Sur Ltda. and subsidiaries	85.39 %
		Minera Andes del Sur S. P. A.	100.00 %
Cumbres Andinas S. A. C.	99.99%	Marcobre S. A. C.	99.99%
Cumbres del Sur S. A. C.	99.90 %	Compañía Minera Barbastro S. A. C.	99.99 %
		Minera Sillustani S. A. C.	99.99 %

¹¹ Economic group presented to Conasev (currently the SMV-Peruvian securities regulator) by Inversiones Nacionales de Turismo pursuant to Conasev Resolution N° 090-2005-EF-94.10 on March 1, 2007.

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

5.7. EVOLUTION OF THE STOCK PRICE

MINSUR S.A.							
Renta Variable							
Código ISIN	Nemónico	Año - Mes	COTIZACIONES 2018				Precio Promedio S/
			Apertura S/	Cierre S/	Máxima S/	Mínima S/	
PEP622005002	MINSUR11	2018-01	1.78	1.90	2.04	1.78	1.90
PEP622005002	MINSUR11	2018-02	1.88	1.75	1.90	1.70	1.80
PEP622005002	MINSUR11	2018-03	1.71	1.73	1.77	1.64	1.75
PEP622005002	MINSUR11	2018-04	1.64	1.81	1.86	1.64	1.77
PEP622005002	MINSUR11	2018-05	1.80	1.70	1.80	1.64	1.68
PEP622005002	MINSUR11	2018-06	1.67	1.55	1.71	1.55	1.65
PEP622005002	MINSUR11	2018-07	1.50	1.64	1.64	1.35	1.45
PEP622005002	MINSUR11	2018-08	1.64	1.53	1.64	1.35	1.50
PEP622005002	MINSUR11	2018-09	1.56	1.45	1.56	1.40	1.46
PEP622005002	MINSUR11	2018-10	1.45	1.35	1.50	1.28	1.39
PEP622005002	MINSUR11	2018-11	1.35	1.42	1.46	1.33	1.41
PEP622005002	MINSUR11	2018-12	1.43	1.38	1.45	1.36	1.39

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, our Company has been notified that it failed to pay a total of S/. 101,646.000 (equivalent to US\$ 31'046,000) for Income tax and Sales tax. In all cases, we have 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 September 30, 2018, the balance paid under protest amounts to US\$ 8'608,000 (US\$18'517,000 as of December 31, 2017).

In 2017, we recovered US\$ 7'477,000 of the protest payment related to the claims filed before SUNAT for processes related to income tax of 2000 and 2001 and for processes related to the General Sales Tax of 2005, after obtaining a favorable result from the Tax Court. The total sum

recovered includes interests and fees for US\$ 3'425,000 which have been recorded under the "financial income" item of the separated income statement.

In the appeal filed by our Group before the tax authority for FY 2002, the Tax Court served notice of the Resolution 04937-9-2018 on June 28, 2018, deciding among others the complaint for income tax overpaid corresponding to FY 2002. This complaint corresponds to Income tax overpaid in that year amounting to S/ 104'708,000 (equivalent to US\$ 32'290,000), which was collected.

As of December 31, 2018, twenty one (21) sanctioning administrative procedures have been initiated against Minsur S.A. and its subsidiaries Compañía Minera Barbastro S.A.C. and Minera Sillustani S.A.C. by (i) the Supervising Agency of the Investment in Energy and Mining (Osinermin), (ii) the Agency for Environmental Assessment and Enforcement (OEFA); (iii) the Ministry of Production (PRODUCE); (iv) the National Water Authority (ANA); (v) the Superintendency of Ground transportation for Passengers and Cargo (SUTRAN); which are still ongoing at different administrative stages, and even five (05) of them have led to contentious administrative procedures brought to Court.

Regarding such contentious-administrative lawsuits, all of them have been filed to question the administrative responsibility imposed on us. We filed them because we considered that legally it does not apply to us in those cases, except for one which was filed to question a 110.42 Tax Unit fine imposed by Osinermin to the Tin Smelting plant in Pisco, since we have enough defense arguments. These administrative procedures have been assessed by the Legal and Regulatory Compliance Manager with the support of external advisors.

Therefore, considering our arguments and the particular situation of each of the abovementioned procedures, a provision amounting to 228.5 Tax Units has been estimated at the end of FY 2018, considering the scale of fines approved by each one of the regulating authorities. Notwithstanding, we should gradually and significantly reduce such sanctioning procedures considering the stages they are at, and the implementation of our "0 findings" internal policy, destined to consolidate a preventive and compliant culture to prevent regulatory contingencies.

Furthermore, we are still 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 the Court of first instance decided to uphold in part the lawsuit. Then last October, the Superior Court of Tacna confirmed this decision. We filed the corresponding appeal, which has been admitted by the Third Transitory Courtroom on Constitutional and Social Law of the Supreme Court, and we are now waiting for the hearing to be scheduled, where they will decide if our appeal shall be upheld or not. In the event that the appeal is not upheld, the administrative resolutions that rectify the geographical coordinates of the wells used in the Pucamarca operations would be null, which could lead to an administrative procedure questioning the continuity of such operation if such coordinates are not renewed.

However, 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.

Moreover, on November 22, 2018, we were notified with the Directorial Resolution N° 1735-2018, through which the Water Administrative Authority Caplina Ocoña granted us a license to use surface water of the Azufre River, for up to 20.25 l/s, for the Pucamarca mining unit.

6. CORPORATE GOVERNANCE

6.1. PROFESSIONAL TRAJECTORY OF DIRECTORS

Fortunato Brescia Moreyra	President
<p>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. B.Sc., Mining Engineering, Colorado School of Mines (EEUU).</p>	

Alex Fort Brescia	Vice President
<p>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, Spain), 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.), International Council of the Americas Society (New York), 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. MBA, Columbia University (EEUU). B.A. in Economics, Williams College (EEUU).</p>	

Rosa Brescia Cafferata widow of Fort	Director

She is a member of the Board of Directors of MINSUR since 2014. Furthermore, she is a 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), a 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 poca 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 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. B.A. in Economics, with a minor in Business Administration, Boston University (EEUU).

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
<p>Director of Minsur since March 2016. He is General Manager of Breca, Corporación Breca (Breca's corporate center) and Holding Continental. He is member of the Board of the Directors of Corporación Peruana de Productos Químicos, EXSA, real estate companies owned by Breca, Intursa, Melón (Chile), Compañía Minera Raura, Rimac Seguros and TASA, 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). MBA, Kellogg Graduate School of Management (United States). He graduated in Business Administration from the Lima University (Lima, Perú).</p>	

Miguel Ángel Salmón Jacobs	Alternate Director
<p>Alternate Director of the Board of Directors of MINSUR since March 2013. Currently he is also Alternate Director of BBVA Continental, Rimac Seguros, and of real estate companies of the Group, Corporación Peruana de Productos Químicos, EXSA, Intursa, Compañía Minera Raura, Cumbres Andinas and TASA. Furthermore, he is the Legal Corporate Vice-President of Corporación Breca (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.</p>	

6.2. OTHER ASPECTS RELATED TO THE 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

Juan Luis Kruger Sayán	General Manager
<p>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.</p>	

Yuri Alfredo Gallo Mendoza	Corporate Project Manager
<p>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 at the Private University of Tacna, and a Diploma in megaproject assessment and PMP certificate.</p>	

Luis Argüelles Macedo	Chief Operations Officer (COO)
<p>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.</p>	

Gonzalo Quijandría Fernández	Director of Corporate Affairs
<p>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.</p>	

Diego Molina	Director of Finances
<p>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 sector, performing new business implementation and commercial support roles, and operations in Peru, China and other countries. He graduated as a civil engineer from the Catholic University of Chile and has an INSEAD MBA from Tsinghua University in Singapore, China and France.</p>	

Ralph Alosilla-Velazco	Director of Logistics and Information Technology
<p>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.</p>	

Álvaro Escalante Ruiz	Director of Human Resources
<p>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 <i>coach</i> 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.</p>	

Rafael Salazar Tafur	Director of Internal Audit
<p>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.</p>	

Hik Park	Director of Internal Audit
<p>He is Director of Audit of Minsur since November 2018. Trilingual executive with 25 years of experience in consultancy and auditing, and more than 10 years of experience as Audit Manager. He has worked in national and transnational companies in over 5 countries. He is the former Audit Manager of Pan American Silver Corp (Canada). He is a part-time teacher of the Senior Management Program of the Piura University. He has been a member of the Board of Directors of the Institute of Internal Auditors in Vancouver, Canada, and is associated to the Institute of Internal Auditors of Lima, Peru. He has lectured on internal control, risks and fraud issues in Canada, Argentina, Mexico and Peru. Industrial Engineer graduated from the Pontifical Catholic University of Peru, has an MBA from the Piura University – IESE, a Master’s degree in Education from the Villanueva Center and the Complutense University of</p>	

Madrid. Certified Internal Auditor (CIA®), Certified Fraud Examiner (CFE®), and Certified in Risk Management Assurance (CRMA®).

6.4. REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration of the Board of Directors in FY 2018, excluding the independent Director, represents 0,072%, and the one corresponding to the latter represents 0,014% of Minsur S.A. gross revenues.



MINSUR S.A.

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