CONSOLIDATED RESULTS FIRST QUARTER 2020

MINSUR S.A. AND SUBSIDIARIES

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MINSUR S.A. AND SUBSIDIARIES ANNOUNCE CONSOLIDATED RESULTS FOR FIRST QUARTER OF 2020

Lima, May 21, 2020 – MINSUR S.A. and subsidiaries (BVL: MINSURI1) ("the Company" or "Minsur"), a Peruvian mining company dedicated to the exploration, processing and commercialization of tin and other minerals, announced its consolidated results for the first quarter ("1Q20") and three months ("2020") periods ended March 31, 2020. These results are reported on a consolidated basis and in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$), unless otherwise indicated.

I. 1Q20 HIGHLIGHTS AND EXECUTIVE SUMMARY

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

Highlights	Unit	1Q20	1Q19	Var (%)
Production				
Tin (Sn)	t	5,522	5,190	6%
Gold (Au)	oz	19,105	24,270	-21%
Ferro Niobium and Ferro Tantalum	t	970	1,001	-3%
Financial Results				
Net Revenue	US$ M	161.5	176.0	-8%
EBITDA	US$ M	58.1	73.7	-21%
EBITDA Margin	%	36%	42%	-
Net Income	US$ M	-46.2	46.2	-
Adjusted Net Income[1]	US$ M	5.7	21.4	-

Executive Summary:

a. Prioritization of Health and Safety – Response to COVID -19 Pandemic

On March 15th, the Peruvian President and his Council of Ministers declared a state of emergency and approved several restrictions designed to protect the country against the spread of Covid-19. Subsequently, on March 17th, the Ministry of Economy and Finance issued the Official Letter No. 059-2020-EF / 10.1, which includes the list of excepted activities provided in literal I) of numeral 4.1 of article 4 of Supreme Decree No. 044-2020-PCM to the mining subsector, in order to guarantee the maintenance of critical operations with the minimum essential personnel, in conditions of health and environment safety. However, for caution and in accordance with our policies that place the utmost importance on the health of our employees and the safety of our facilities, we decided to temporarily suspend production and construction activities on March 18th, consistently in compliance with the national emergency declaration and its extensions.

Therefore, the San Rafael and B2 Mining Units and the Pisco Refinery and Smelter production is suspended, and only critical maintenance activities and those necessary to guarantee the safety and health of personnel and monitoring of the environmental protocol are being carried out. In the Pucamarca Mining Unit, given the nature of the metallurgical process and to avoid any

[1] Adjusted net income = Net income excluding financial results from Subsidiaries and Associates - exchange rate difference: overpaid taxes of the 2002 period

environmental impact, critical plant activities continue. Administrative staff has been working remotely since March 16th. Regarding our operations in Brazil, in April we decided to suspend the production activities of the Pitinga Mining Unit and the Pirapora Refinery and Smelter as a preventive measure.

To date, Mina Justa Project progress is close to 90% of the plan, which has given us some flexibility to face this context. Construction activities are suspended and will be resumed progressively with the highest health and safety standards. The cost savings obtained in the executed stages of the project will allow us to face the delays generated by the current situation. It should be noted that capital and financing disbursements are in line with budget and schedule to date.

We are committed to prevent any health risks for our workers, their families, and the communities in our areas of influence; therefore, we have been working on a corporate plan to establish the highest standards and heath protocols that will allow us to safely resume operations. Simultaneously, we have organized multidisciplinary task forces to identify and later execute all initiatives that will allow us to reduce the gap generated in our production and financial results by the suspension of our activities.

The government ordered the resumption of activities gradually, incorporating the necessary precautions and protection measures to prevent contagion and minimize the risk of a rebound in the Covid-19 disease, through Supreme Decree No. 080-2020-PCM. Thus, in Phase 1 of the “resumption of activities”, which begins this May, mining and industrial activities are included, which include: exploitation, processing, storage, transportation and closure of mines in the stratum of large-scale mining and hydrocarbon construction projects of national interest.

As of the date of issuance of this document, it is convenient to inform that we are already operating gradually in all our units as explained above.

b. Operating Results

In 1Q20, the company registered mixed operating results compared to the same period of the previous year; tin production was higher (+6%), while gold and ferroalloys production were 21% and 3% lower, respectively. On the one hand, the higher refined tin production in Pisco is explained by higher volume of ore from B2, which started commercial production this year (+2,652 tons of ore, with head grade of 28.9%). It is important to mention that the ramp-up of the project was in line with schedule until the suspension of activities on March 18th. On the other hand, the lower gold production is mainly explained by lower recovery, due to the processing of finer material according to the mining plan and given the suspension of activities. The lower ferroalloys production is explained by lower NbTa head grade (-12%) in the concentrate in the flotation plant.

c. Financial Results

The financial results obtained during 1Q20 were below 1Q19 due to the weakening in base metal prices, including tin, originated in the last months of 2019 by the market uncertainty generated by the trade war between the United States and China, Brexit, the trade tension between Japan and South Korea, among other events. This weakening intensified in 1Q20 with the effect of Covid-19 on the market, which added to the impact on our results of the measures taken by the Peruvian State and Minsur to face the pandemic.

Sales and EBITDA were 8% and 21% lower, respectively. The lower sales during 1Q20 are mainly explained by lower tin price (-23%), lower sold volumes of gold (-32%) and lower sold volumes of Pirapora's tin (-5%), partially offset by the higher sold volumes of Pisco's tin (+32%), higher gold price (+21%), and higher sold volumes of ferroalloys (+25%). Net income was additionally impacted by the exchange difference, the financial expenses, and the effect of higher taxes compared to the same period of the previous year.

II. MAIN CONSIDERATIONS

a. Average metal prices:

- **Tin**: Average tin price in 1Q20 was US$ 16,286 per ton, a decrease of 23% compared to the same period of the previous year

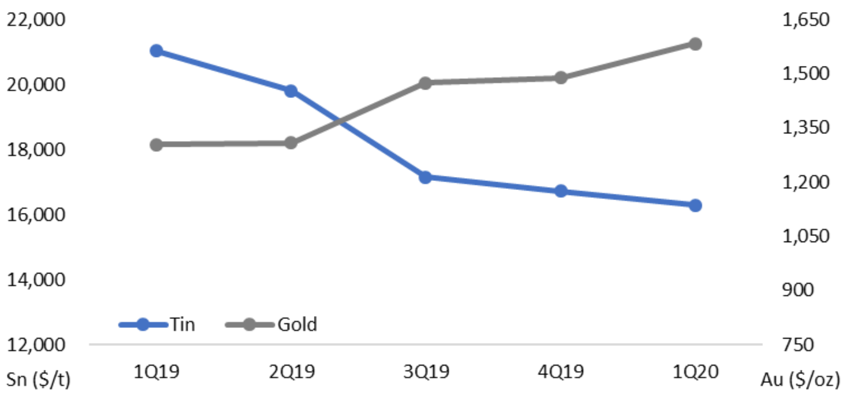
- **Gold**: Average gold price in 1Q20 was US$ 1,582 per ounce, 21% higher than the same period of the previous year.

Table N° 2: Average metal prices

Average Metal Prices	Unit	1Q20	1Q19	Var (%)
Tin	US$/t	16,286	21,027	-23%
Gold	US$/oz	1,582	1,304	21%

Source: Bloomberg

Graph N° 1: Average metal prices trend



Source: Bloomberg

b. Exchange rate:

The Peruvian Sol average exchange rate for 1Q20 was S/ 3.40 per US$ 1, 2% higher than that of 1Q19 (S/ 3.32 per US$ 1). At the end of 2019, exchange rate was S/ 3.32 per US$ 1, while at the end of 1Q20 it increased to S/ 3.44 per US$ 1.

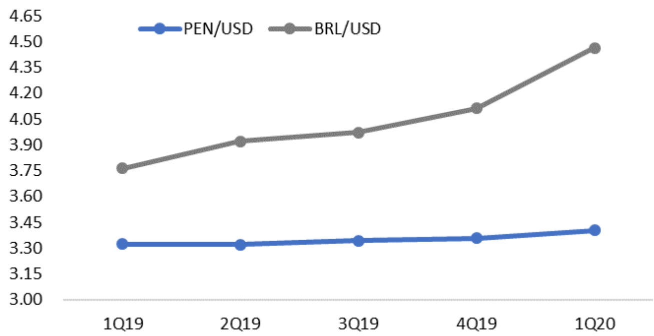
The average exchange rate for the Brazilian Real during 1Q20 was R$ 4.46 per US$ 1, which represented an 19% depreciation compared to the average exchange rate during 1Q19 (R$ 3.76 per US$ 1). At the end of 2019, exchange rate for Brazilian Real was R$ 4.02 per US$ 1; and increased to R$ 5.21 per US$ 1 at the end of 1Q20.

Table N° 3: Exchange Rate

Average Exchange Rate	Unit	1Q20	1Q19	Var (%)
PEN/USD	S/	3.40	3.32	2%
BRL/USD	R$	4.46	3.76	19%

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

Graph N° 2: Average exchange rate trend



III. Safety

Table N° 11: Safety

Safety Indicators Detail	Unidad	1T20	1T19	Var (%)
Lost Time Injury (LTI)	#	4.0	1.0	300%

In terms of safety, in 1Q20 we had four (04) Lost Time Injuries (02 in operating units and 02 in the Mina Justa project), with a frequency rate of 0.56. Given the progress of Mina Justa project, we registered 1.3 million man-hours more than in 1Q19. Due to the increase on lost time injuries, preventive actions have been reinforced.

Given the current context of mandatory social isolation detailed in the first section, health protocols for COVID-19 were implemented in accordance to the legal requirements and ICMM best practices.

IV. OPERATING MINING RESULTS:

a. San Rafael – Pisco (Peru):

Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	1Q20	1Q19	Var (%)
Ore Treated	t	270,603	464,633	-42%
Head Grade	%	1.95	1.90	3%
Tin production (Sn) - San Rafael	t	4,365	5,045	-13%
Tin production (Sn) - B2	t	613	-	-
Tin production (Sn) - Pisco	t	4,333	3,888	11%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	98.18	64.87	51%
Cash Cost per Ton of Tin[3]	US$/t Sn	8,232	8,614	-4%

In 1Q20, tin production at San Rafael reached 4,365 tons, 13% lower than in 1Q19, mainly explained by lower ore treated (-42%) for the demobilization of personnel started on March 18th and lower volume of ore fed to the pre-concentration ore sorting plant (-28% vs 1Q19). It is important to mention that the mine stripping (lower grade mineral) that allowed the extension of the pre-concentration ore sorting plant was exhausted in December 2019; however, with some modifications to the plant, we managed to extend its use on January of this year with the processing of fresh low-grade ore extracted from the mine, with recovery rates of up to 99%. Additionally, in February a two-day plant shutdown was required to execute preventive maintenance works. On the other hand, we highlight that the grade of ore fed to the concentration plant in 1Q20 was 3% higher than that of 1Q19.

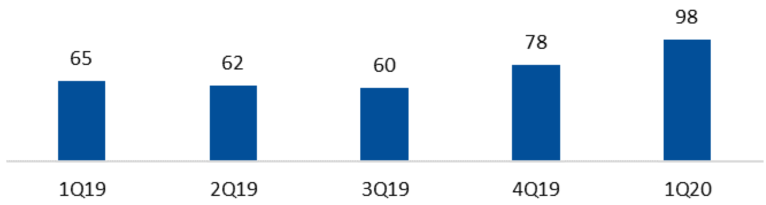
B2 started operation in January and produced 613 tons of contained tin in 1Q20. Before the demobilization of the personnel, the ramp-up of the project was running according to schedule.

The refined tin production at Pisco reached 4,333 tons, 11% higher than in 1Q19, mainly due to higher volume of ore sent by B2 (+2,652 tons, with a head grade of 28.9%), which partially offset the lower ore feed from San Rafael (-12%).

Cash cost per treated ton[2] at San Rafael in 1Q20 was $98, +51% above 1Q19, mainly explained by lower volume of treated ore (-42%), explained by lower volume processed in the pre-concentration ore sorting plant (-28%) and fewer days of production due to the suspension of activities (-31% vs the same period of the previous year).

[2] Cash cost per treated ton = San Rafael production costs / (Tons of Ore Treated at Concentration + Tons of Ore treated at Pre-Concentration)

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



Cash cost per ton of tin[3] in 1Q20 was US$ 8,232, 4% above 1Q19, mainly explained by the higher refined tin production at Pisco (+12%).

b. Pucamarca (Peru):

Table N° 5. Pucamarca Operating Results

Pucamarca	Unit	1Q20	1Q19	Var (%)
Ore Treated	t	1,847,206	1,906,121	-3%
Head Grade	g/t	0.53	0.61	-13%
Gold production (Au)	oz	19,105	24,270	-21%
Cash Cost per Treated Ton	US$/t	4.5	6.0	-25%
Cash Cost per Ounce of Gold[4]	US$/oz Au	433	470	-8%

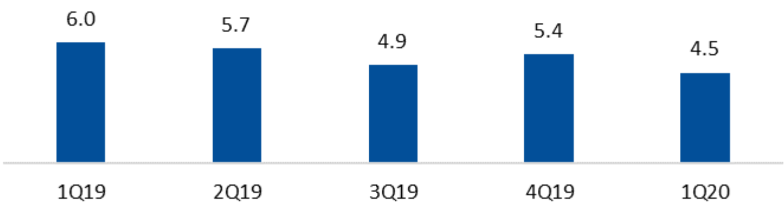
In 1Q20, gold production reached 19,105 ounces, a 21% decrease compared to the same period of the previous year. This decrease in gold production is mainly due to i) less ore mined (-5%), ii) lower volume fed to Leeching Pad (-3%) and iii) lower gold head grade placed on the Leeching Pad (-13%). The lower ore mined, and lower volume fed to Leeching Pad are due to the demobilization of personnel carried out in the second half of March 1Q20. It is worth mentioning that in January and February the mineral placed in the Leeching Pad was 12% higher than the same period of the previous year.

On the other hand, in accordance with the mining plan, we are processing material with lower grade than in previous periods. This is because the highest-grade material available is very fine and is placed in a smaller proportion to avoid exceeding the design parameters of the PAD. This change also impacts the recovery rate (-2% compared to the same period of the previous year).

Cash cost per treated ton at Pucamarca was US$ 4.5 in 1Q20 vs. US$ 6.0 in 1Q19, a 25% decrease, mainly due to i) the advancement of dismount work carried out in 2019, in order to optimize our geotechnical parameters, and ii) less ore treated as explained above.

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

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



Cash cost per ounce of gold[4] in 1Q20 was US$ 433, a decrease of 8% compared to 1Q19, mainly explained by lower production costs as explained above.

c. Pitinga – Pirapora (Brazil):

Table N°6. Pitinga – Pirapora Operating Results

Pitinga - Pirapora	Unit	1Q20	1Q19	Var (%)
Ore Treated	t	1,665,431	1,505,795	11%
Head Grade - Sn	%	0.20	0.19	5%
Head Grade - NbTa	%	0.27	0.25	5%
Tin production (Sn) - Pitinga	t	1,726	1,632	6%
Tin production (Sn) - Pirapora	t	1,189	1,301	-9%
Niobium and tantalum alloy production	t	970	1,001	-3%
Cash Cost per Treated Ton	US$/t	16.6	21.4	-22%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	8,994	9,404	-4%

On the one hand, in 1Q20, refined tin production at Pitinga reached 1,726 tons, an increase of 6% compared to 1Q19, mainly due to more ore treated (+11%) and higher tin head grade (+5%). This is explained by the improvement of the trucks and equipment fleet that arrived at the mine in the last quarter of 2019 and the first months of this year, which boosted operational performance and increased production efficiency.

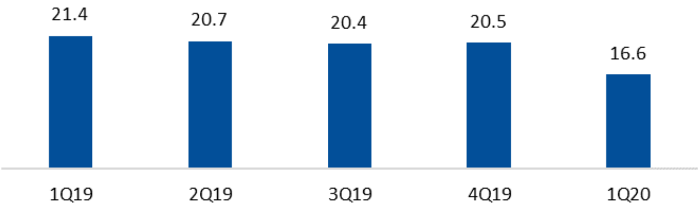
At Pirapora, refined tin production reached 1,189 tons, a decrease of 9% compared to the same period of the previous year, mainly explained by less ore fed to the furnace (-11%). In 2019, the greater feeding was achieved with stocks generated in January during the plant stoppage for maintenance. In 2020, the stoppage will be scheduled during the second quarter.

On the other hand, production of ferroalloys reached 970 tons in 1Q20, 3% below that of the same period of the previous year, mainly explained by lower NbTa head grade (-12%), partially offset by higher recovery rate (+5%).

Cash cost per treated ton at Pitinga was US$ 16.6 in 1Q20, 22% decrease compared to 1Q19, mainly due to i) lower cost in US$ dollars resulting from the devaluation of the Brazilian Real (+19%), ii) lower diesel consumption and iii) higher ore treated (+11%).

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

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



By-product cash cost[5], which recognizes the value of by-products as a credit, was US$ 8,994 per ton in 1Q20, 4% decrease compared to 1Q19. The lower by-product cash cost was due to higher tin production (+4%), partially offset by lower valued production mainly explained by lower average price of ferroalloys (-23%) and lower production of ferroalloys (-3%).

V. CAPEX AND EXPANSION:

a. CAPEX – in operation and projects

In 1Q20, Capex was US$ 7.3 M, which represents a decrease of 71% compared to what was invested in 1Q19, when the B2 Project was still under construction.

Capital disbursements for the execution of our Mina Justa project were lower by 28% compared to the same period of the previous year. As for the operating units, the main investments were related to sustaining Capex.

B2 started operating on January 2020.

[5] By-product credit cash cost per ton of tin = (Pitinga production cost + production value of ferroalloys, excluding workers profit shares, depreciation and amortization)/ (tin production in tons)

Table N°7. CAPEX

CAPEX	Unit	1Q20	1Q19	Var (%)
San Rafael - Pisco	US$ M	2.6	1.4	86%
Pucamarca	US$ M	0.8	1.3	-39%
Pitinga - Pirapora	US$ M	4.1	3.4	22%
Others		0.1	1.6	-92%
Sustaining Capex	**US$ M**	**7.7**	**7.7**	**0%**
B2	US$ M	3.8	22.1	-83%
Marcobre	US$ M	121.9	169.4	-28%
Expansion Capex	**US$ MM**	**125.6**	**191.5**	**-34%**
Total Capex	**US$ MM**	**133.3**	**199.2**	**-33%**

- **San Rafael - Pisco**: Tailings dam
- **Pucamarca:** Equipment renewal
- **Taboca:** Equipment renewal
- **B2:** Execution and closing phase of the project
- **Marcobre:** Execution phase of the project

b. Expansion Projects

i. B2 Project

- **Objective:** Treat and recover tin contained in the tailings deposit known as B2
- **Location:** Inside San Rafael, Puno
- **Resources:** Measured Resources 7.6 Mt @1.05% Sn
- **Production and Life of Mine:** ~50 Kt of Sn contained in concentrates
- **Life of mine:** 9 years
- **Cash cost average LOM:** ~ U$ 5,500 / fine ton
- **Capex executed:** US$ 171 M, below guidance (US$ 200 M)
- **Progress:** At the end of December of 2019, the construction and commissioning of B2 project was completed, one month ahead of schedule and in line with budget. B2 started operation on 1Q20.
- **Safety:** The construction was completed achieving zero lost time injuries with 4.2 million man-hours worked. In this new operating phase, no lost time injuries have been reported.
- **Major events**
  - ✓ In March, the operation was halted, and contractors and supervisors were demobilized
- **Main activities during the period**
  - ✓ 20 out of 41 work packages have been completed with respect to the Project Closure Program to reach the ramp-up production and the balance of auxiliary infrastructures
  - ✓ In 1Q20, accumulated production was 613 tons of contained tin

ii. Marcobre Project

- **Objective:** Mine, treat and recover copper from the deposit known as Mina Justa
- **Description:** Mineralization of Mina Justa consists of two types of ore: a layer of shallow copper oxides and a layer of deeper cooper sulphides located below the copper oxide. Currently, the Mineral Processing Infrastructure Execution stage is being developed, as well as pre-mining activities. In addition, the tailing depot is being built
- **Location:** San Juan de Marcona, Ica
- **Resources:** Measured Resource 374 Mt @0.71% Cu
- **Production:** ~640 Kt of Cu in cathodes and ~828 Kt of Cu in concentrates
- **Life of Mine:** 16 years
- **Cash cost average LOM:** ~ US$ 1.38 / fine pound
- **Capex executed:** US$ 1,197 M executed, out of a total of US$ 1,600 M
- **Progress:** The cumulative progress was close to 86.2% versus 85.6% planned
- **Safety:** The project reported 02 lost time injuries during 1Q20
- **Major events**
  - ✓ Demobilization of personnel due to national emergency, maintaining certain critical activities and equipment maintenance
  - ✓ Protocols to control the entry of critical goods, social isolation, medical emergency evacuations, mental health care, preventive management of people on the risk group and mobilization/demobilization of personnel
  - ✓ Measures were taken in order to protect the health of workers such as: fumigation of buses and camping, spacing in the dining rooms, random measurement of temperature of the workers, spacing per room (maximum two workers in each room) and installation of a place of isolation for possible positive cases of COVID-19
- **Main activities during the period**
  - ✓ Cumulative pre-stripping production reached 90.1 Mt (66.2% vs 65.4%)
  - ✓ In the oxide plant there is progress of 83.4% and it continues with equipment preservation activities
  - ✓ On the other hand, the sulphide plant reached an 84.9% progress. Pipeline, wiring and instrumentation tasks are being carried out
  - ✓ The port has a progress of 84.3%; the descent of the seawater intake pipeline was completed and the extraction of the cantitravel piles began
  - ✓ The commissioning has a progress of 13.8% vs a plan of 65.4%. The commissioning of pumps and motors for the seawater system in the onshore area also began

VI. FINANCIAL RESULTS:

Table N°9. Financial Statements

Financial Statements	Unit	1Q20	1Q19	Var (%)
Net Revenue	US$ M	161.5	176.0	-8%
Cost of Sales	US$ M	-109.9	-101.0	9%
Gross Profit	**US$ M**	**51.6**	**75.0**	**-31%**
Selling Expenses	US$ M	-2.0	-1.9	9%
Administrative Expenses	US$ M	-12.5	-12.4	1%
Exploration & Project Expenses	US$ M	-5.1	-8.7	-42%
Other Operating Expenses, net	US$ M	0.1	-0.3	-
Operating Income	**US$ M**	**32.1**	**51.7**	**-38%**
Finance Income (Expenses) and Others, net	US$ M	-11.7	-3.1	282%
Results from Subsidiaries and Associates	US$ M	-0.5	0.5	-
Exchange Difference, net	US$ M	-35.3	11.6	-
Profit before Income Tax	**US$ M**	**-15.4**	**60.8**	**-**
Income Tax Expense	US$ M	-30.8	-14.6	110%
Net Income	**US$ M**	**-46.2**	**46.2**	**-**
Net Income Margin	%	-29%	26%	-
EBITDA	**US$ M**	**58.1**	**73.7**	**-21%**
EBITDA Margin	%	36%	42%	-
Depreciation	US$ M	26.0	22.0	18%
Adjusted Net Income	**US$ M**	**5.7**	**21.4**	**-**

a. Net Revenue:

In 1Q20, net sales reached US$ 124.9 M, a decrease of 8% (-US$ 10.5 M) compared to 1Q19. This decrease is mainly explained by i) lower tin price (-23%), ii) lower sold volumes of gold (-32%) and lower sold volumes of Pirapora's tin (-5%), partially offset by i) higher sold volumes of Pisco's tin (+32%), ii) higher gold price (+21%) and iii) higher sold volumes of ferroalloys (+25%). The higher sold volumes of tin were explained by the new production of B2 (+664 refined tons) and the lower sold volumes of gold are due to the air transport restrictions imposed in March. Higher sold volumes of ferroalloys were due to commercial and production initiatives to bring forward deliveries within 1Q20.

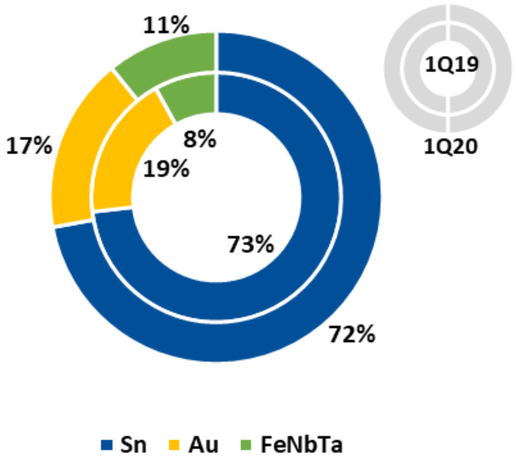
Table N°10. Net revenue Volume by product

Net Revenue Volume	Unit	1Q20	1Q19	Var (%)
Tin	t	7,275	5,869	24%
San Rafael - Pisco	t	6,096	4,631	32%
Pitinga - Pirapora	t	1,179	1,238	-5%
Gold	oz	17,047	24,973	-32%
Niobium and Tantalum Alloy	t	980	787	25%

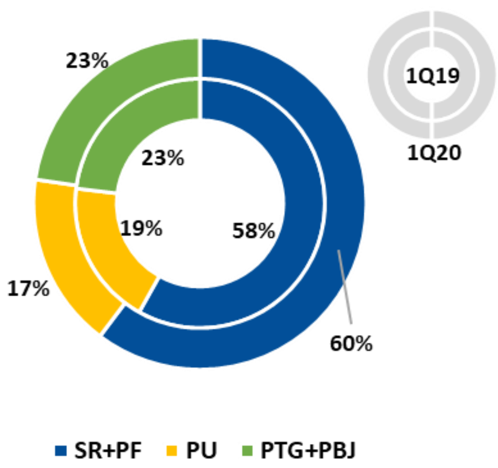
Table N°11. Net revenue in US$ by product

Net Revenue by Metal	Unit	1Q20	1Q19	Var (%)
Tin	US$ M	116.5	128.7	-10%
San Rafael - Pisco	US$ M	97.3	102.3	-5%
Pitinga - Pirapora	US$ M	19.1	26.4	-28%
Gold	US$ M	27.5	33.1	-17%
Niobium and Tantalum Alloy	US$ M	17.5	14.2	23%
TOTAL	**US$ M**	**161.5**	**176.0**	**-8%**

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



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



b. Cost of Sales:

Table N°12. Cost of Sales breakdown

Cost of Sales	Unit	1Q20	1Q19	Var (%)
Production Cost	US$ M	77.4	86.6	-11%
Depreciation	US$ M	24.2	21.6	12%
Workers profit share	US$ M	2.0	4.0	-51%
Variation of stocks and others	US$ M	6.3	-11.2	-156%
Total	**US$ M**	**109.9**	**101.0**	**9%**

Cost of sales in 1Q20 reached US$ 109 M, an increase of 9% compared to the same period of last year. This effect is due to i) higher sold volumes of tin (+32%), higher sold volumes of ferroalloys (+25%) and iii) entry of B2 depreciation and higher depreciation in San Rafael.

c. Gross Profit:

Gross profit during 1Q20 reached US$ 51.6 M, US$ 23.4 M decrease compared to the same period of the previous year, mainly because of the lower sales (-8%) and the higher cost of sales (+9%), both explained above. Gross margin of the quarter was 32% vs 43% during 1Q19.

d. Selling expenses:

Selling expenses in 1Q20 were US$ -2.0 M, US$ 0.2 M above to the previous year, mainly explained by higher sold volumes of tin (+32%) and ferroalloys (+25%).

e. Administrative Expenses:

Administrative expenses in 1Q20 were US$ 12.5 M, US$ 0.1 M higher than the same period of last year, explained by an increase on consulting and other services.

f. Exploration and Project Expenses:

In 1Q20, exploration and project expenses totaled US$ 5.1 M, US$ 3.6 M lower than 1Q19, mainly explained to the temporary postponement of exploration activities due to the impact of the Covid-19 pandemic.

g. EBITDA:

EBITDA in 1Q20 amounted to US$ 58.1 M, a decrease of US$ 15.6 M compared to 1Q19, due to lower gross profit explained above. EBITDA margin in the period reached 36%, below that of the same period of last year.

h. Finance income and expenses

The net financial expenses in 1Q20 were US$ - 11.7 M vs US$ - 3.1 M registered in 1Q19. This difference is explained by the financial interests included in the refund of overpaid taxes of the 2004-2005 period received in 1Q19.

i. Exchange difference, net

The exchange difference in 1Q20 was US$ - 35.3 M vs US$ + 11.6 registered in 1Q19. This effect is mainly explained by the balances of the monetary assets and liabilities that the Group maintains in a currency other than functional currency. The main liability generating this effect is the debt that Taboca holds in US Dollars (US$ 164.3 M), due to the devaluation of the Brazilian Real.

j. Income Tax:

In 1Q20, Minsur accrued US$ 30.8 M on income tax expense, US$ 16.2 M higher than 1Q19, mainly due to the exchange rate effect on the deferred tax, partially offset by the lower current tax profit compared to 1Q19.

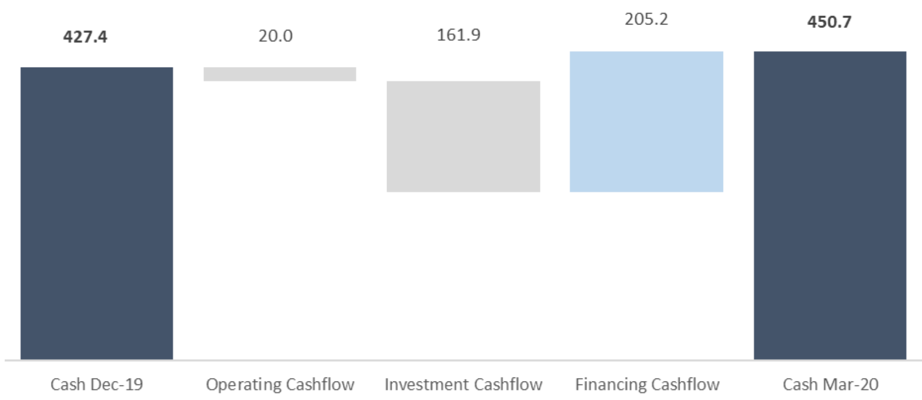
k. Net Income and Adjusted Net Income:

In 1Q20, the company registered a net income of US$ -46.2 M vs US$ 46.2 M registered in the same period of the previous year, mainly due to i) exchange difference, ii) lower operating results explained above and iii) higher financial expense. Excluding i) extraordinary effects (exchange difference on deferred tax), ii) results of associates and iii) exchange difference, the adjusted net income in 1Q20 would amount to US$ 5.7 M, US$ 15.8 lower than the same period of the previous year, mainly due to the lower EBITDA explained before.

VII. LIQUIDITY:

As of March 31st, 2020, cash and cash equivalents totaled US$ 450.7 M, a 5% increase compared to December 2019 (US$ 427.4 M). This was mainly due to a financing cash flow of US$ 205.2 M, which was partially offset by an operating cash flow of - US$ 20.0 M and an investment cash flow of US$ 161.9 M. The financing cash flow includes US$ 144 M from the Mina Justa project financing, US$ 45 M contributions from Alxar and US$ 16 M from the financing of Taboca.

Graph N°8: Cash Flow Reconciliation



In terms of debt, total financial debt as of March 31st 2020 reached US$ 1,251.6 M, 14% higher than the total debt reported at the end of 2019 (US$ 1,095.4 M), mainly due to the Mina Justa project financing. Net leverage ratio reached 3.4x as of March 31st 2019, vs. 2.7x at the end of 2019.

Table N°13. Net Debt Bank

Financial Ratios	Unit	Mar-20	Dec-19	Var (%)
Total Debt Bank	US$ M	1,251.6	1,095.4	14%
Minsur 2024 Bond	US$ M	443.8	443.4	0%
Taboca	US$ M	164.3	149.7	10%
Marcobre	US$ M	643.5	502.3	28%
Cash	US$ M	450.7	427.4	5%
Cash and Equivalents	US$ M	244.1	133.2	83%
Term deposits with original maturity greater than 90 days	US$ M	206.6	212.7	-3%
Certificates without public quotation	US$ M	0.0	0.0	0%
Comercial papers	US$ M	0.0	81.5	-100%
Net Debt	US$ M	800.9	668.0	20%
Total Debt / EBITDA	x	5.3x	4.4x	22%
Net Debt / EBITDA	x	3.4x	2.7x	28%
Total Debt / EBITDA (Attributable)[6]	x	4.2x	3.6x	17%
Net Debt / EBITDA (Attributable)[6]	x	2.5x	1.9x	32%

[6] Attributable: considers 60% of the cash, debt and EBITDA from Marcobre. Minsur owns 60% of Marcobre, while our partner Alxar has the remaining 40%.

Graph N°9: Evolution Net Debt Bank

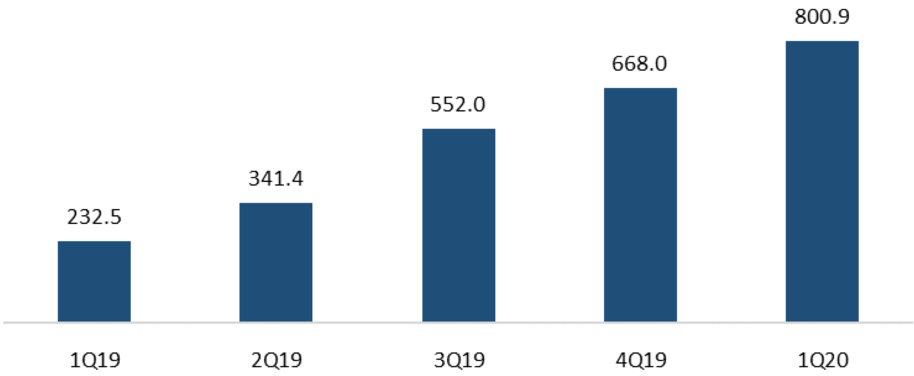


Table N°14. Current Credit Ratings

Rating Agency	Given Rating	Outlook
Fitch Ratings	BBB-	Negative
S&P Global Ratings	BBB-	Negative

COMPANY DESCRIPTION:

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

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

MINSUR is also a majority shareholder of Minera Latinoamericana S.A.C., which is a main shareholder of Mineração Taboca S.A., a company that operates, in the State of Amazonas in Brazil, the Pitinga mine, where tin, Niobium and Tantalum are extracted. Taboca is also owner of the Pirapora Foundry Plant in Sao Paulo.

Through its subsidiaries, Minera Latinoamericana S.A.C., owns the 73.9% of Melón, a leading Company in the production and commercialization of cement, concrete, mortar and aggregates in the Chilean market.

Finally, MINSUR through its subsidiary Cumbres Andinas S.A., owns 60% of the shares of Marcobre S.A.C., which manages a copper ore project called Mina Justa, located in the district of San Juan de Marcona, in Ica.

Note on Forward-Looking Statements

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