CONSOLIDATED RESULTS SECOND QUARTER 2020

MINSUR S.A. AND SUBSIDIARIES

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

Lima, Jun 14 , 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 second quarter ("2Q20") and six months ("2020") periods ended Jun 30, 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. 2Q20 HIGHLIGHTS AND EXECUTIVE SUMMARY

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

Highlights	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Production							
Tin (Sn)	t	4,021	6,283	-36%	9,543	11,473	-17%
Gold (Au)	oz	19,354	27,087	-29%	38,458	51,357	-25%
Ferro Niobium and Ferro Tantalum	t	571	677	-16%	1,541	1,678	-8%
Financial Results							
Net Revenue	US$ M	104.6	189.8	-45%	266.1	365.8	-27%
EBITDA	US$ M	41.6	64.7	-36%	99.6	138.4	-28%
EBITDA Margin	%	40%	34%	-	37%	38%	-
Net Income	US$ M	-3.5	13.6	-	-49.7	59.7	-183%
Adjusted Net Income[1]	US$ M	3.6	20.6	-83%	-6.8	54.6	-113%

Executive Summary:

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

In accordance with government regulations, our operations gradually restarted productive activities during the first weeks of May, beginning with the implementation of protocols and tests to mobilize personnel and have a production ramp-up period to reach maximum capacity. All operations comply with the established protocols to work safely and preserve the health of all our collaborators.

Additionally, the construction activities of the Mina Justa Project restarted, in compliance with the reviewed protocols. Before the declaration of national emergency, the progress of the Mina Justa Project was greater than planned, with significant savings compared to the estimated budget. This partially offset the impact of the mandatory stop of activities ordered by the government. Therefore, the project maintains the production start date for 1Q21, and capital expenditures are expected to be remain US$ 1.6B. These estimates would be revised in case the requirements of the government or competent authorities were modified (i.e, new mandatory quarantines, changes in industry protocols, among others).

Finally, administrative staff continues to carry out its activities remotely.

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

b. Operating Results

In 2Q20, the company registered lower operating results compared to the same period of the previous year, mainly due to the fewer days worked due to the stoppage of operations by the national quarantine in Peru and for the preventive stoppage of our operations in Brazil. The refined tin, gold and ferroalloys production was 36%, 29% y 16% lower, respectively, compared to 2Q19. However, it is important to mention that all our units have reached the expected productions levels according to our new operating plan to date.

c. Financial Results

The financial results obtained during 2Q20 were below 2Q19 due to the lower volume of ore produced, and additionally, due to the market uncertainty generated by Covid-19, which had a strong impact on the prices of basic metals, including tin. Sales and EBITDA were 45% and 36% lower, respectively. The lower sales during 2Q20 are mainly explained by i) lower tin price (-20%) and ii) lower sold volumes of tin (-54%), gold (-13%) and ferroalloys (-29%) due to lower production. These effects were partially offset by the higher price of gold (+31%). Finally, net income was additionally impacted by the exchange difference and higher net financial expenses.

II. MAIN CONSIDERATIONS

a. Average metal prices:

- **Tin**: Average tin price in 2Q20 was US$ 15,760 per ton, a decrease of 20% compared to the same period of the previous year. During the first half average tin price was US$ 16,023 per ton, 21% below last year's average.

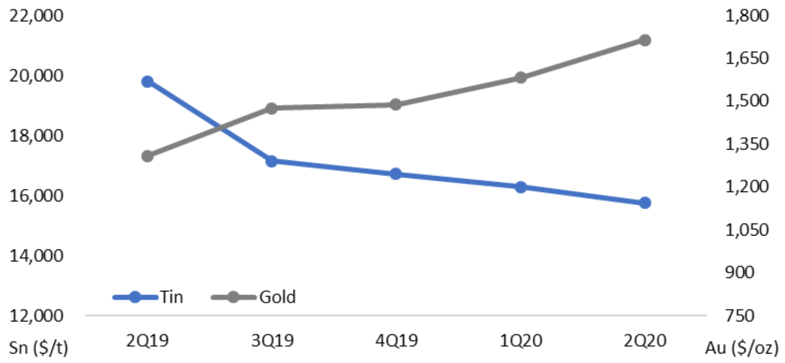
- **Gold**: Average gold price in 2Q20 was US$ 1,714 per ounce, 31% higher than the same period of the previous year. During the first half average gold price was US$ 1,648 per ounce, an increase of 26% compared to last year's average

Table N° 2: Average metal prices

Average Metal Prices	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Tin	US$/t	15,760	19,802	-20%	16,023	20,410	-21%
Gold	US$/oz	1,714	1,309	31%	1,648	1,306	26%

Source: Bloomberg

Graph N° 1: Average metal prices trend



Source: Bloomberg

b. Exchange rate:

The Peruvian Sol average exchange rate for 2Q20 was S/ 3.43 per US$ 1, 3% higher than that of 2Q19 (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 2Q20 it increased to S/ 3.54 per US$ 1.

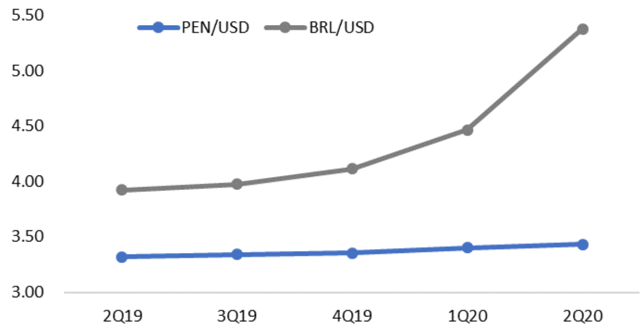
The average exchange rate for the Brazilian Real during 2Q20 was R$ 5.38 per US$ 1, which represented a 37% depreciation compared to the average exchange rate during 2Q19 (R$ 3.92 per US$ 1). At the end of 2019, exchange rate for Brazilian Real was R$ 4.02 per US$ 1; and increased to R$ 5.46 per US$ 1 at the end of 2Q20.

Table N° 3: Exchange Rate

Average Exchange Rate	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
PEN/USD	S/	3.43	3.32	3%	3.42	3.32	3%
BRL/USD	R$	5.38	3.92	37%	4.92	3.84	28%

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	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Lost Time Injury (LTI)	#	1.0	4.0	-75%	10.0	9.0	11%

In 2Q20 we had one (01) Lost Time Injuries in an operating unit. Given the stoppage of operations due to Covid-19, in 2Q20 there were 4.9 million worked man-hours less than in 1Q19.

Controls for the implementation of health protocols for the mitigation and prevention of Covid-19 have been updated and reinforced. Technological tools for triage and prevention are being used and the implementation of work-cells began to prevent contagion and reduce the interaction between workers in mining units and projects, in accordance to 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	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Ore Treated	t	148,183	518,572	-71%	418,786	983,204	-57%
Head Grade	%	1.64	1.82	-10%	1.82	1.86	-2%
Tin production (Sn) - San Rafael	t	2,568	5,072	-49%	6,933	10,117	-31%
Tin production (Sn) - B2	t	111	-	-	725	-	-
Tin production (Sn) - Pisco	t	3,422	4,699	-27%	7,755	8,587	-10%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	91.65	61.58	49%	95.87	63.14	52%
Cash Cost per Ton of Tin[3]	US$/t Sn	7,586	8,751	-13%	8,006	8,674	-8%

In 2Q20, tin production at San Rafael reached 2,568 tons, 49% lower than in 2Q19, mainly explained by lower ore treated (-71%) due to the fewer days worked, mainly from the pre-concentration ore sorting plant, which restarted activities in the last week of June. On the other hand, B2 started production in the third week of June, reaching 111 tons of contained tin. Finally, the refined tin production at Pisco reached 3,422 tons, 27% lower than in 2Q19, because smelter’s stocks of concentrate were additionally processed.

Cash cost per treated ton[2] at San Rafael in 2Q20 was $92, 49% above 2Q19, mainly explained by lower volume of treated ore (-71%), partially offset by lower production cost. It is important to mention that due to the quarantine stoppage, the indirect fixed costs not absorbed by the production were classified directly to the cost of sales (IAS 2). In this way, cost of inventories was not distorted.

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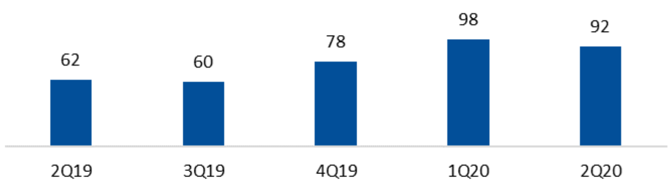
[2] Cash cost per treated ton = San Rafael production costs / (Tons of Ore Treated at Concentration + Tons of Ore treated at Pre-Concentration)

During the first half of the year, production of San Rafael was 31% lower than in 1H19, mainly due to the fewer days worked. In B2, the production was 725 tons of contained tin. In Pisco, the refined tin production was only 10% lower than 1H19, due to the processing of stocks of concentrate. Cash cost per treated ton during 1H20 was $96, 52% above 1H19's average, due to the lower volume of ore treated.

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



Cash cost per ton of tin[3] in 2Q20 was US$ 5,970, 32% below 2Q19, mainly explained by the classification of fixed costs not absorbed by production in the costs of sales. However, the accumulated cash cost per ton of tin reached US$ 7,346, 15% lower compared to the same semester of the previous year.

b. Pucamarca (Peru):

Table N° 5. Pucamarca Operating Results

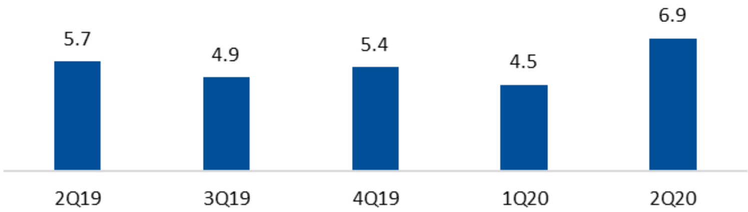
Pucamarca	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Ore Treated	t	1,196,860	1,932,950	-38%	3,044,066	3,839,071	-21%
Head Grade	g/t	0.37	0.60	-38%	0.47	0.60	-23%
Gold production (Au)	oz	19,354	27,087	-29%	38,458	51,357	-25%
Cash Cost per Treated Ton	US$/t	6.9	5.7	21%	5.4	5.8	-7%
Cash Cost per Ounce of Gold[4]	US$/oz Au	425	406	5%	429	436	-2%

In 2Q20, gold production reached 19,354 ounces, a 29% decrease compared to the same period of last year. This decrease in gold production is mainly explained by lower volume fed to the Leeching Pad (-38%), due to fewer days worked compared to 2Q19. Cash cost per treated ton at Pucamarca was US$ 6.9 in 2Q20 vs. US$ 5.7 in 2Q19, an increase of 21%, mainly due to lower volume fed to Leeching Pad, as explained above. It is important to mention that in Pucamarca, given the nature of the production process, all fixed costs were absorbed by production and therefore, they are registered within the cost of production.

During 1H20, production was 38,458 ounces of gold, 25% lower than the same period of the previous year. Cash cost per treated ton for the first half was US$ 5.4, 7% lower than 1H19, mainly due to the advancement of dismount works in 2019, which were executed in order to optimize our geotechnical parameters. This effect was partially offset by lower volume of ore treated in 2020.

[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 2Q20 was US$ 425, an increase of 5% compared to 2Q19, mainly explained by lower production as explained above. The cast cost per ounce of gold for the first half was US$ 429, 2% lower than that of 1H19, due to the costs of advance of dismount works registered in 2019.

c. Pitinga – Pirapora (Brazil):

Table N°6. Pitinga – Pirapora Operating Results

Pitinga - Pirapora	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Ore Treated	t	1,024,082	1,450,909	-29%	2,689,513	2,956,704	-9%
Head Grade - Sn	%	0.21	0.20	2%	0.20	0.20	3%
Head Grade - NbTa	%	0.27	0.25	5%	0.27	0.25	5%
Tin production (Sn) - Pitinga	t	1,035	1,636	-37%	2,762	3,268	-15%
Tin production (Sn) - Pirapora	t	599	1,585	-62%	1,788	2,886	-38%
Niobium and tantalum alloy production	t	571	677	-16%	1,541	1,678	-8%
Cash Cost per Treated Ton	US$/t	16.0	20.7	-23%	16.3	21.0	-22%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	9,601	12,454	-23%	9,257	11,016	-16%

On one hand, in 2Q20, refined tin production at Pitinga reached 1,035 tons, a decrease of 37% compared to 2Q19, mainly due to less ore treated (-29%), partially offset by higher tin head grade (+2%). The lower ore treated is explained by fewer days worked compared to 2Q19. At Pirapora, refined tin production reached 599 tons, a decrease of 62% compared to the same period of the previous year, mainly explained by i) fewer days worked in April, ii) less ore fed by Pitinga (-49%) and iii) the plant stoppage for maintenance. It is important to mention that the plant stoppage for maintenance in 2019 was carried out during the first quarter.

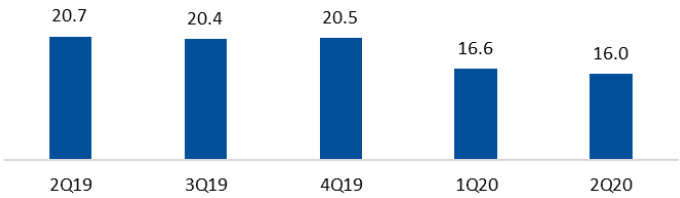
On the other hand, production of ferroalloys reached 571 tons in 2Q20, 16% below that of the same period of the previous year, mainly explained by fewer days worked.

Cash cost per treated ton at Pitinga was US$ 16.0 in 2Q20, 23% decrease compared to 2Q19, mainly due to i) lower cost in US dollars resulting from the devaluation of the Brazilian Real (+37%), ii) lower ore treated (-29%), and iii) lower costs associated with fewer days worked. It is important to mention that due to the quarantine stoppage, the indirect fixed costs not absorbed by the production were classified directly to the cost of sales (IAS 2). In this way, cost of inventories was not distorted.

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

During 1H20, Pitinga's production was 15% lower than the same period of the previous year, mainly due to fewer days worked. In Pirapora, accumulated production was -38% lower than 1H19 due to the lower production of Pitinga's ore. The cash cost per treated ton was US$ 16.3, 22% below 1H19 due to lower ore treated (-9%) and lower production cost (-29%).

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$ 9,601 per ton in 2Q20, a 23% decrease compared to 2Q19. The lower by-product cash cost was explained by lower production costs as mentioned above. However, the accumulated by-product cash cost reached 9,257, 16% below 1H19 due to lower production costs.

[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)

V. CAPEX AND EXPANSION:

a. CAPEX – in operation and projects

In 2Q20, Capex was US$ 228.4 M, which represents an increase of 23% compared to what was invested in 2Q19, when the B2 Project was still under construction. Capital disbursements for the execution of our Mina Justa project were higher by 41% compared to the same period of the previous year. As for the operating units, the main investments were related to sustaining Capex.

Table N°7. CAPEX

CAPEX	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
San Rafael - Pisco	US$ M	3.7	3.6	5%	6.3	5.0	27%
B2	US$ M	1.0	0.0	0%	1.2	0.0	0%
Pucamarca	US$ M	0.6	2.3	-72%	1.4	3.6	-60%
Pitinga - Pirapora	US$ M	6.2	4.9	27%	25.6	10.3	149%
Others		4.0	-1.6	-355%	4.1	0.1	-
Sustaining Capex	**US$ M**	**15.5**	**9.1**	**70%**	**38.6**	**19.0**	**104%**
B2	US$ M	0.0	26.1	-100%	0.0	48.2	-100%
Marcobre	US$ M	212.8	151.1	41%	334.7	320.5	4%
Expansion Capex	**US$ MM**	**212.8**	**177.2**	**20%**	**334.7**	**368.7**	**-9%**
Total Capex	**US$ MM**	**228.4**	**186.3**	**23%**	**373.3**	**387.6**	**-4%**

- **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.
- **Safety:** The construction was completed achieving zero lost time injuries. In this new operating phase, no lost time injuries have been reported.

- **Major events**
  - Production was restarted on June 17th
  - The activities from the Project Closure have been restarted:
    - 27 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

ii. Marcobre Project

- **Objective:** Mine, treat and recover copper from the deposit known as Mina Justa
- **Description:** Mina Justa deposit consists of a primary mineralization of copper sulfites at depth overlain by a secondary mineralization of copper oxides to a depth of 180-200 meters. Currently the mineral processing and tailings storage facilities are in the late stage of construction., as well as pre-stripping activities. In addition, the tailing depot is being built
- **Location:** San Juan de Marcona, Ica
- **Resources:** Measured and Indicated Resources 381 Mt @0.74% 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$ 1,277 M executed, out of a total of US$ 1,600 M
- **Progress:** The cumulative progress was close to 84.6% compared to 84.5% planned
- **Safety:** The project has not reported lost time injuries during 2Q20
- **Major events**
  - On June 4th, construction activities were restarted at the oxide plant, Marcona port and in the operations area
  - The focus has been to stablish the highest health standards and protocols to prevent the spread of Covid-19 among workers
  - Arrival of key personnel for the project (Ausenco Project Director, Marcobre and Ausenco Commissioning Manager)
- **Main activities during the period**
  - Cumulative pre-stripping production reached 93.8 Mt (67.3% vs 67.3% planned)
  - In the oxide plant there is progress of 80.1% vs 79.8%, main activities related to mechanical installation of critical equipment were restarted
  - The sulphide plant reached an 81.6% progress in line with plan, main works were related to testing of electrical equipment
  - The port reached a progress of 85.7% compared to 85.9% planned, main works were focused on the installation and welding of piping of booster station and installation of brackets and clamps of the sea water pipeline

- The commissioning has a progress of 13.9% vs 13.6% planned. Main activities were focused on equipment inspections and warehouse inventory control
- The engineering and procurement of the expansion of the camp and the construction of modules was completed

VI. FINANCIAL RESULTS:

Table N°9. Financial Statements

Financial Statements	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Net Revenue	US$ M	104.6	189.8	-45%	266.1	365.8	-27%
Cost of Sales	US$ M	-74.3	-121.0	-39%	-184.2	-222.5	-17%
Gross Profit	**US$ M**	**30.4**	**68.8**	**-56%**	**82.0**	**143.3**	**-43%**
Selling Expenses	US$ M	-1.1	-2.6	-57%	-3.1	-3.9	-19%
Administrative Expenses	US$ M	-8.1	-12.6	-36%	-20.6	-25.1	-18%
Exploration & Project Expenses	US$ M	-1.6	-12.0	-86%	-6.7	-20.7	-67%
Other Operating Expenses, net	US$ M	3.1	0.1	-	3.2	-0.2	-
Operating Income	**US$ M**	**22.6**	**41.7**	**-46%**	**54.7**	**93.4**	**-41%**
Finance Income (Expenses) and Others, net	US$ M	-12.5	-6.0	107%	-24.2	-9.1	166%
Results from Subsidiaries and Associates	US$ M	1.6	0.2	573%	1.2	0.8	53%
Exchange Difference, net	US$ M	-8.8	-7.3	20%	-44.0	4.3	-
Profit before Income Tax	**US$ M**	**3.0**	**28.6**	**-90%**	**-12.4**	**89.4**	**-**
Income Tax Expense	US$ M	-6.5	-15.0	-57%	-37.3	-29.7	26%
Net Income	**US$ M**	**-3.5**	**13.6**	**-**	**-49.7**	**59.7**	**-**
Net Income Margin	%	-3%	7%	-	-19%	16%	-
EBITDA	**US$ M**	**41.6**	**64.7**	**-36%**	**99.6**	**138.4**	**-28%**
EBITDA Margin	%	40%	34%	-	37%	38%	-
Depreciation	US$ M	18.9	23.1	-18%	44.9	45.0	0%
Adjusted Net Income[6]	**US$ M**	**3.6**	**20.6**	**-83%**	**-6.8**	**54.6**	**-**

a. Net Revenue:

In 2Q20, net sales reached US$ 104.6 M, a decrease of 45% (-US$ 85.2 M) compared to 2Q19. This decrease is mainly explained by i) lower sales of tin (-67%) and ferroalloys (-33%), partially offset by higher sales of gold (+9%). The lower sales of tin were explained by i) the lower sold volume of Pisco and Pirapora (-51% and -62%, respectively) and ii) lower price of tin (-20%). On the other hand, the lower sale of ferroalloys was due to i) lower sold volume (-29%) and ii) lower realized prices (-25%); while gold sales were 9% higher than 2Q19 due to the higher price of gold (+31%), partially offset by the lower sold volume of gold (-13%).

Table N°10. Net revenue Volume by product

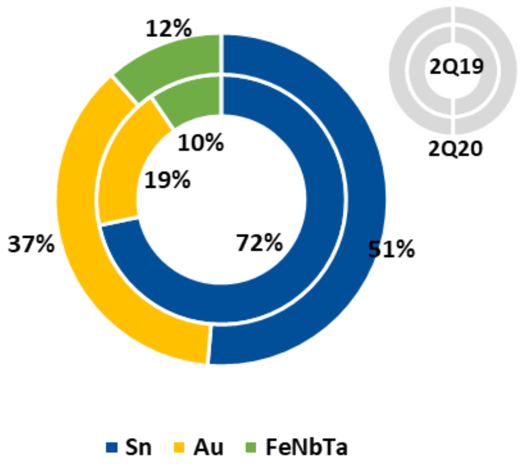
Net Revenue Volume	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Tin	t	3,180	6,907	-54%	10,455	12,776	-18%
San Rafael - Pisco	t	2,513	5,136	-51%	8,610	9,767	-12%
Pitinga - Pirapora	t	667	1,771	-62%	1,846	3,009	-39%
Gold	oz	23,314	26,875	-13%	40,362	51,847	-22%
Niobium and Tantalum Alloy	t	718	1,006	-29%	1,698	1,793	-5%

[6] Adjusted net income = Net income excluding financial results from Subsidiaries and Associates - exchange rate difference

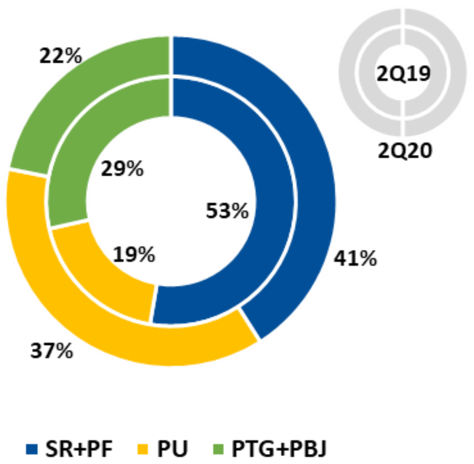
Table N°11. Net revenue in US$ by product

Net Revenue by Metal	Unit	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Tin	US$ M	53.7	136.1	-61%	170.2	264.8	-36%
San Rafael - Pisco	US$ M	42.9	100.0	-57%	140.2	202.3	-31%
Pitinga - Pirapora	US$ M	10.8	36.0	-70%	30.0	62.5	-52%
Gold	US$ M	38.9	35.6	9%	66.4	68.7	-3%
Niobium and Tantalum Alloy	US$ M	12.1	18.1	-33%	29.6	32.3	-9%
TOTAL	**US$ M**	**104.6**	**189.8**	**-45%**	**266.1**	**365.8**	**-27%**

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	2Q20	2Q19	Var (%)	6M20	6M19	Var (%)
Production Cost	US$ M	45.0	83.9	-46%	118.9	166.8	-29%
Depreciation	US$ M	10.6	22.5	-53%	34.8	44.1	-21%
Workers profit share	US$ M	-0.1	3.8	-103%	1.8	7.8	-77%
Variation of stocks and others[7]	US$ M	18.8	10.7	75%	28.6	3.8	654%
Total	**US$ M**	**74.3**	**121.0**	**-39%**	**184.2**	**222.5**	**-17%**

Cost of sales in 2Q20 reached US$ 74.3 M, a decrease of 39% compared to the same period of last year. This effect is due to i) lower sold volumes of tin, gold and ferroalloys, and ii) lower depreciation due to the stoppage of operations by the national quarantine. It is important to mention that the indirect fixed costs of the tin line that were not absorbed by production during the downtime were not recorder under "Production cost" but are registered in "Stocks Variation and Others".

c. Gross Profit:

Gross profit during 2Q20 reached US$ 30.4 M, a US$ 38.5 M decrease compared to the same period of last year, mainly explained by lower sold volumes of tin, gold and ferroalloys. Gross margin of the quarter was 29% vs 36% in 2Q19.

d. Selling expenses:

Selling expenses in 2Q20 were US$ -1.1 M, US$ 1.5 M below that of the same period of last year, mainly explained by lower sold volumes of tin, gold and ferroalloys.

e. Administrative Expenses:

Administrative expenses in 2Q20 were US$ 8.1 M, a decrease of 36% compared to the same period of last year, explained by a reduction in consulting and other services to mitigate the impact of lower sales, as well as lower workers' profit share.

f. Exploration and Project Expenses:

In 2Q20, exploration and project expenses totaled US$ 1.6 M, US$ 10.4 M lower than 2Q19, mainly explained to the temporary postponement of exploration activities due to the impact of the Covid-19.

[7] Variation of stocks and others includes costs not absorbed by normal production capacity

g. EBITDA:

EBITDA in 2Q20 amounted to US$ 41.5 M, a decrease of US$ 23.3 M compared to 2Q19, due to lower gross profit explained above, partially offset by the efforts to identify and execute efficiency and saving plans in administrative and exploration expenses. EBITDA margin in the period reached 40%, 6pp above that of the same period of last year.

h. Finance income and expenses

The net financial expenses in 2Q20 were - US$ 12.5 M vs - US$ 6.0 M registered in 2Q19. This difference is explained by the capitalization of the financial expenses associated with our B2 project in 2019.

i. Exchange difference, net

The exchange difference in 2Q20 was US$ - 8.8 M vs US$ - 7.3 M registered in 1Q19. This effect is mainly explained by the balances of the monetary assets and liabilities that Minsur maintains in a currency other than functional currency. The main liability generating this effect is the debt that Taboca holds in US Dollars (US$ 165.6 M), due to the devaluation of the Brazilian Real.

j. Income Tax:

In 2Q20, Minsur accrued US$ 6.5 M on income tax expense, 57% lower than 2Q19, mainly due to the lower operating result during the period.

k. Net Income and Adjusted Net Income:

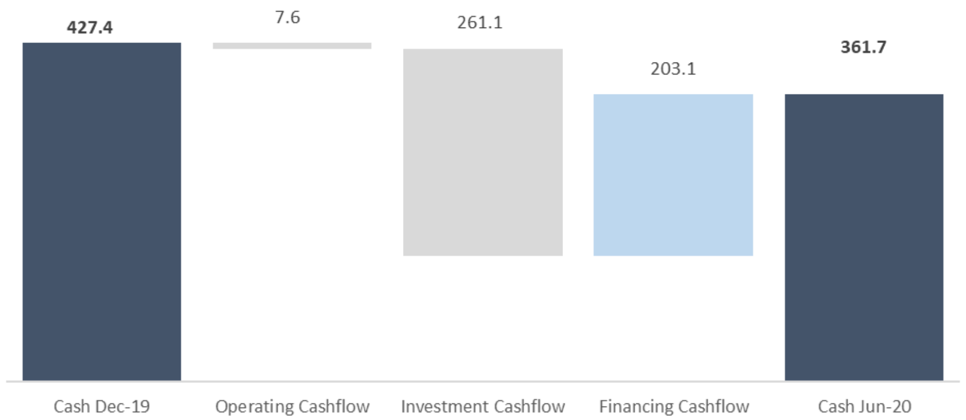
In 2Q20, the company registered a net income of US$ - 3.5 M vs US$ 13.6 M registered in the same period of the previous year, mainly due to i) lower EBITDA, ii) higher exchange difference and iii) higher financial expenses. Excluding (i) extraordinary effects, (ii) the results of subsidiaries and associates, and (iii) the exchange difference, the adjusted net income in 2Q20 would amount to US$ 3.6 M, US$ 17.0 M lower than the same period of the previous year, mainly due to the lower EBITDA explained before.

VII. LIQUIDITY:

As of June 30th, 2020, cash and cash equivalents totaled US$ 361.7 M, a 15% decrease compared to December 2019 (US$ 427.4 M). This was mainly due to a financing cash flow of US$ 203.1 M, which was partially offset by an operating cash flow of - US$ 7.6 M and an investment cash flow of US$ 261.1 M. The financing cash flow includes US$ 144 M from the Mina Justa project financing, US$ 49.2 M contributions from Alxar and US$ 17 M from Taboca financing.

It is important to mention that the investment cash flow includes US$ 8.4 M from the sale of Exsa shares to the company Orica Mining Services Peru S.A executed on April 30th.

Graph N°8: Cash Flow Reconciliation



In terms of debt, total financial debt as of June 30th 2020 reached US$ 1,259.3 M, 15% 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 4.2x as of June 30th 2019, vs. 2.7x at the end of 2019.

Table N°13. Net Debt Bank

Financial Ratios	Unit	Jun-20	Dec-19	Var (%)
Total Debt Bank	US$ M	1,259.3	1,095.4	15%
Minsur 2024 Bond	US$ M	444.1	443.4	0%
Taboca	US$ M	165.6	149.7	11%
Marcobre	US$ M	649.5	502.3	29%
Cash	US$ M	361.7	427.4	-15%
Cash and Equivalents	US$ M	301.1	133.2	126%
Term deposits with original maturity greater than 90 days	US$ M	60.6	212.7	-72%
Certificates without public quotation	US$ M	0.0	0.0	0%
Comercial papers	US$ M	0.0	81.5	-100%
Net Debt	US$ M	897.6	668.0	34%
Total Debt / EBITDA	x	5.9x	4.4x	36%
Net Debt / EBITDA	x	4.2x	2.7x	59%
Total Debt / EBITDA (Attributable)[8]	x	4.7x	3.6x	31%
Net Debt / EBITDA (Attributable)[8]	x	3.1x	1.9x	61%

[8] 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

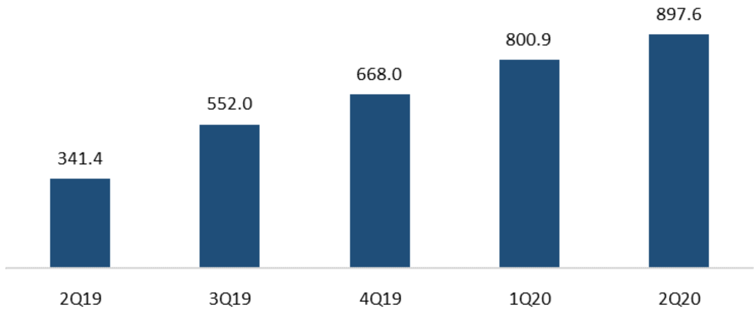


Table N°14. Current Credit Ratings

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

VIII. Risk Management

The company has a financial reporting and consolidation area, which permanently validates that the financial information to be disclosed to the market is in accordance with IFRS and free from material errors.

The internal controls associated with the risks of the aforementioned function are evaluated and verified by an independent external auditor, who annually issues an opinion on the reasonableness of the Financial Statements and the evaluation of the internal control system to mitigate risks related to integrity and reliability of financial information.

Likewise, periodically, the Internal Auditor reports to the Audit Committee on work progress and deadlines compliance regarding the implementation of Internal and External Audit observations in accordance with the audit plan.

Finally, the company has a Risk area, in charge of managing the identified risk matrix, as well as evaluating and monitoring mitigation plan proposals.

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 operates 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.