MINSUR S.A. AND SUBSIDIARIES ANNOUNCE CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2016

Lima, November 14, 2016 – 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 third quarter ("3Q16") and the first nine months ("9M16") of 2016. These results are reported in accordance with International Financial Reporting Standards (IFRS) and are expressed in U.S. dollars (US$), unless otherwise indicated.

I. OPERATING RESULTS AND FINANCIAL HIGHLIGHTS:

- **Production:**
  - **Tin: 6,924 tons in 3Q16**, 23% higher than 3Q15, in line with our mine plan.
  - **Gold: 24,956 ounces in 3Q16**, 25% below that in 3Q15, in line with our mine plan.
  - **Niobium and tantalum alloys: 454 tons in 3Q16**, similar to that reported in 3Q15.
- **Cash Cost per treated ton**:
  - **San Rafael/Pisco:** In 3Q16, cash cost per treated ton at San Rafael was **US$ 66**, **45% below** that reported in the 3Q15. Similarly, cash cost per refined ton of tin in 3Q16 was **US$7,569**, **12% below** 3Q15.
  - **Pucamarca:** In 3Q16, cash cost per treated ton was **US$ 4.0**, a **10% increase** compared to 3Q15. Similarly, cash cost per ounce of gold reached **US$ 331/oz.**, **a 38% increase** compared to 3Q15.
  - **Pitinga:** In 3Q16, cash cost per treated ton at Pitinga was **US$ 17.7**, **14% below** the 3Q15 cash cost, mainly due to lower energy costs resulting from lower use of diesel.
- **EBITDA: US$ 70.0 M** in 3Q16, **112% increase** compared to 3Q15. EBITDA margin in 3Q16 was 43% vs 24% in 3Q15
- **Net income: US$ 10.6 M** in 3Q16 vs a loss of US$ 26.9 M in 3Q15.
- **Adjusted net income[1]:** Excluding results from subsidiaries and associates and exchange difference, adjusted net income reached **US$ 20.5 M** in 3Q16 vs a loss of US$ 13.7 M in 3Q15.
- **Hedging Operations:**
  - Gold: The Company has derivatives (zero cost collars) covering 24,000 oz. of gold from July to December (4,000 oz. per month) setting a floor price of US$ 1,250/oz. and a cap of US$ 1,420/oz.
  - Tin: Minsur has derivatives (zero cost collars) for 3,200 tons of tin (800 tons per month) from September to December 2016 with a floor price of US$ 17,000/t and caps up to US$ 19,500/t. Also, Taboca has derivatives for 2,250 tons of tin (450 tons per month) from August to December 2016, and 900 tons from January to March 2017 (300t/month) with a fixed price of US$ 17,473/t.

[1] Adjusted net income = Net income excluding results from subsidiaries and associated entities, and net exchange rate differences.

Table N ° 1: Summary of operating and financial results

Highlights	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Production							
Tin (Sn)	t	6,924	5,628	23%	18,702	18,044	4%
Gold (Au)	oz	24,956	33,464	-25%	86,108	93,782	-8%
Alloys (NbTa)	t	454	449	1%	1,351	1,738	-22%
Financial Results							
Net Revenue	US$ M	163.8	138.1	19%	445.6	464.7	-4%
EBITDA	US$ M	70.0	33.0	112%	160.9	129.9	24%
EBITDA Margin	%	43%	24%	79%	36%	28%	29%
Net Income	US$ M	10.6	-26.9	-	49.3	-30.3	-
Adjusted Net Income[1]	US$ M	20.5	-13.7	-	49.5	-13.3	-

II. Main Considerations:

a. Average metal prices:

Average Tin (Sn) Price in 3Q16 was US$ 18,629 per ton, an increase of 23% compared to the same period of the previous year.

Average Gold (Au) Price in 3Q16 was US$ 1,335 per ounce, an increase of 19% compared to the same period of the previous year.

Table N ° 2: Average metal Prices

Average Metal Prices	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Tin	US$/t	18,629	15,207	23%	17,047	16,399	4%
Gold	US$/oz	1,335	1,125	19%	1,259	1,179	7%

Source: Bloomberg

b. Exchange rate:

The Peruvian Sol average exchange rate for 3Q16 was S/. 3.34 per US$ 1, which represents a depreciation of 4% compared to the average exchange rate during 3Q15 (S/. 3.21 per US$ 1)

The Brazilian Real average exchange rate for the 3Q16 was R$ 3.25 per US$ 1, which represents an appreciation of 8% compared to the average exchange rate during 3Q15 (R$ 3.54 per US$ 1)

Table N ° 3: Exchange rate

Average Exchange Rate	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
PEN/USD	S/.	3.34	3.21	4%	3.37	3.14	7%
BRL/USD	R$	3.25	3.54	-8%	3.55	3.16	12%

Source: Banco Central de Reserva del Perú

III.OPERATING MINING RESULTS

a. San Rafael – Pisco (Perú):

Table N° 4: San Rafael - Pisco Operating Results

San Rafael - Pisco	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Ore Treated	t	448,690	264,004	70%	945,919	761,348	24%
Head Grade (after Ore Sorting)	%	2.01	2.02	0%	2.04	2.09	-2%
Tin production (Sn) - San Rafael	t	5,114	4,852	5%	13,961	14,382	-3%
Tin production (Sn) - Pisco	t	5,182	4,130	25%	14,550	13,924	4%
Cash Cost per Treated Ton[2] - San Rafael	US$/t	66	119	-45%	89	130	-32%
Cash Cost per Ton of Tin[3]	US$/t Sn	7,569	8,562	-12%	7,874	8,850	-11%

In 3Q16, tin production reached 5,182 tons, a 25% increase compared to the same period of the previous year. This was mainly explained by a scheduled maintenance at the smelting & refining Pisco plant in September 2015, and the start-up of the ore sorting plant to treat low-grade ore in July 2016. Tin production guidance for 2016 is 19,000 to 19,500 tons of refined tin.

Cash cost per treated ton[2] at San Rafael in 3Q16 was US$ 66 vs. US$ 119 in 3Q15, a reduction of 45%. It is important to note that the cash cost per treated ton in 3Q16 considers the ore concentrated from the mine which amounted to 191,587 tons, and the low-grade ore used at the pre concentration and ore sorting plant (257,103 tons). This is a temporary effect due to the consumption of low-grade ore at "Cancha 35", which is expected to run out by 2017.

Cash cost per treated ton is in line with the Company's guidance of US$ 70/t to US$ 90/t for the year.

Cash cost per ton of tin[3] in 3Q16 was US$ 7,569 vs. US$ 8,562 in 3Q15, a 12% decrease compared to 3Q15, mainly due to higher tin production levels and cost reductions per treated ton.

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

[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,)

Pucamarca (Perú):

Table N°5. Pucamarca Operating Results

Pucamarca	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Ore Treated	t	2,046,546	2,190,881	-7%	6,208,714	6,027,524	3%
Head Grade	g/t	0.52	0.60	-13%	0.50	0.61	-19%
Gold production (Au)	oz	24,956	33,464	-25%	86,108	93,782	-8%
Cash Cost per Treated Ton	US$/t	4.0	3.7	10%	3.9	4.1	-6%
Cash Cost per Ounce of Gold[4]	US$/oz Au	331	240	38%	278	264	5%

In 3Q16, gold production reached 24,956 ounces, a 25% decrease compared to the same period of the previous year. Nevertheless, production is running at a higher pace than the annual production guidance. In accordance with Pucamarca's geological and mine plan model, head grade was 0.43 g/t in 3Q16, 29% lower than 3Q15. Production for 2016 will close at the higher end of the 95,000 to 105,000 ounces of gold guidance.

Cash cost per treated ton at Pucamarca was US$ 4.0 in 3Q16 vs. US$ 3.7 in 3Q15, a 10 % increase, mainly as a result of lower volume of treated tons, in accordance with the mining plan parameters. Cash cost per treated ton will close at the lower end of the US$4.5 – US$5.0 per ton guidance.

Cash cost per ounce of gold[4] in 3Q16 was US$ 331, an increase of 38% compared to 3Q15. This increase was explained by lower gold production in 3Q16 and higher cash cost per treated ton.

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

c. Pitinga - Pirapora (Taboca - Brazil):

Table N ° 6. Pitinga – Pirapora Operating Results

Pitinga - Pirapora	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Ore Treated	t	1,695,035	1,149,297	47%	4,538,390	4,130,514	10%
Head Grade - Sn	%	0.21	0.19	9%	0.20	0.20	3%
Head Grade - NbTa	%	0.27	0.24	13%	0.27	0.23	14%
Tin production (Sn) - Pitinga	t	1,911	1,173	63%	5,085	4,430	15%
Tin production (Sn) - Pirapora	t	1,742	1,498	16%	4,152	4,119	1%
Niobium and tantalum alloy production	t	454	449	1%	1,351	1,738	-22%
Cash Cost per Treated Ton	US$/t	17.7	20.5	-14%	18.6	18.6	0%
By-product credits Cash Cost per Ton of Tin[5]	US$/t Sn	16,574	17,668	-6%	17,019	15,166	12%

In 3Q16, refined tin production of Pitinga-Pirapora reached 1,714 tons, a 16% increase compared to 3Q15. At Pitinga, tin production reached 1,911 tons of tin contained in concentrates, a 63% increase compared to the same period of last year. These effects are mainly due to continued operation in the quarter 3Q16 vs 3Q15, which was affected by an event at the hydroelectric plant in 2015. In 3Q16, Niobium and Tantalum alloys production reached 454 tons, 1% up compared to 3Q15.

Tin production for 2016 at Pirapora remains within guidance of 6,000 to 7,000 tons; Ferroalloys production in 2016 will close between 1,900 and 2,000 tons.

Cash cost per treated ton at Pitinga in 3Q16 reached US$ 17.7 vs. US$ 20.5 in 3Q15 (-14%), this decrease is explained by extraordinary expenses incurred in 3Q15 associated to temporary power generation using diesel generators and other operating efficiencies implemented during this year. Cash cost per treated ton will close in the higher end of the US$17 to US$19 of 2016 guidance.

By-product credit cash cost per ton of tin[5] in 3Q16 was US$ 16,855, representing a decrease of 6% compared to 3Q15. These lower costs are due to the recovery of the hydroelectric plant, allowing the Company to generate its own energy, thereby reducing the use of diesel-powered generators.

Regarding the projects at Pitinga, the reconstruction of the power generating plant's dam was completed in 3Q16. Furthermore, the niobates flotation plant expansion project has already started operations, and is expected to reach full capacity in 4Q16. This expansion will allow Pitinga to increase the annual production of ferroalloys from ~2,000 to ~3,500 tons.

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

IV. CAPEX:

Table N ° 7. CAPEX

CAPEX	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
San Rafael - Pisco	US$ M	7.5	4.4	71%	21.9	8.8	150%
Pucamarca	US$ M	3.0	2.2	33%	5.8	2.5	133%
Pitinga - Pirapora	US$ M	18.7	7.2	161%	42.4	23.2	82%
Explorations and M&A	US$ M	0.1	1.4	-90%	2.1	5.8	-64%
Total	**US$ M**	**29.3**	**15.2**	**93%**	**72.2**	**40.3**	**79%**

In 3Q16, CAPEX was US$ 29.3 M, representing an increase of 93% compared to 3Q15. The main investments during the period were:

- **San Rafael**: Construction of the Pre-Concentration Plant ("Ore Sorting" project) to process the low-grade ore at "Cancha 35".
- **Pucamarca**: General trucks overhaul program, and other investments to improve Pucamarca's productivity.
- **Pitinga**: Repairs of the hydroelectric power plant dam, expansion of the niobates flotation plant and sustaining CAPEX.

V. FINANCIAL RESULTS:

Table N ° 8. Profit and loss statement

Financial Statements	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Net Revenue	US$ M	163.8	138.1	19%	445.6	464.7	-4%
Cost of Sales	US$ M	-95.5	-98.9	-3%	-269.1	-313.0	-14%
Gross Profit	**US$ M**	**68.3**	**39.3**	**74%**	**176.5**	**151.8**	**16%**
Gross Margin	%	42%	28%	47%	40%	33%	21%
Selling Expenses	US$ M	-1.6	-1.8	-10%	-4.7	-6.1	-23%
Administrative Expenses	US$ M	-11.0	-8.2	35%	-31.9	-33.2	-4%
Exploration & Project Expenses	US$ M	-1.6	-14.1	-89%	-20.2	-41.0	-51%
Other Operating Expenses, net	US$ M	-1.7	-7.2	-76%	-8.0	-10.9	-26%
Operating Income	**US$ M**	**52.3**	**8.0**	**557%**	**111.7**	**60.7**	**84%**
Finance Income (Expenses) and Others, net	US$ M	-10.0	-9.9	2%	-27.9	-30.0	-7%
Results from Subsidiaries and Associates	US$ M	-8.4	7.0	-	-12.8	19.0	-
Exchange Difference, net	US$ M	-1.5	-20.2	-92%	12.7	-36.0	-
Profit before Income Tax	**US$ M**	**32.4**	**-15.1**	**-**	**83.7**	**13.6**	**515%**
Income Tax Expense	US$ M	-21.8	-11.8	85%	-34.4	-43.9	-22%
Net Income	**US$ M**	**10.6**	**-26.9**	**-**	**49.3**	**-30.3**	**-**
Net Income Margin	%	6%	-19%	-	11%	-7%	-
EBITDA	**US$ M**	**70.0**	**33.0**	**112%**	**160.9**	**129.9**	**24%**
EBITDA Margin	%	43%	24%	79%	36%	28%	29%
Adjusted Net Income	**US$ M**	**20.5**	**-13.7**	**-**	**49.5**	**-13.3**	**-**

a. Net revenue:

In 3Q16, net sales reached US$ 163.8 M, a 19% increase (US$ 25.6 M) compared to the same period of last year. This increase was mainly explained due to higher prices of tin and gold (+23% and +19% respectively), partially offset by lower gold and alloys volume sold (-11% and -8% respectively). Lower gold and ferroalloy volumes are due to a decrease in production in 3Q16, as previously discussed in the operating results section.

Table N ° 9. Volume sales by product

Net Revenue Volume	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Tin	t	6,389	6,249	2%	18,129	19,511	-7%
San Rafael - Pisco	t	4,721	4,771	-1%	14,066	15,352	-8%
Pitinga - Pirapora	t	1,668	1,478	13%	4,063	4,159	-2%
Gold	oz	25,600	28,661	-11%	82,767	88,076	-6%
Niobium and Tantalum Alloy	t	457	495	-8%	1,397	2,224	-37%

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

Net Revenue in US$	Unit	3Q16	3Q15	Var (%)	9M16	9M15	Var (%)
Tin	US$ M	122.2	98.8	24%	319.5	329.7	-3%
San Rafael - Pisco	US$ M	92.3	76.3	21%	250.4	259.8	-4%
Pitinga - Pirapora	US$ M	29.9	22.5	33%	69.1	69.9	-1%
Gold	US$ M	34.6	32.8	6%	104.6	104.9	0%
Niobium and Tantalum Alloy	US$ M	7.0	6.6	6%	21.5	30.2	-29%
TOTAL	**US$ M**	**163.8**	**138.1**	**19%**	**445.6**	**464.7**	**-4%**

b. Gross Profit:

The cost of sales presented a 3% reduction compared to the same period last year. Gross profit in 3Q16 reached US$ 68.3 M, representing a 74% increase (US$ 29.1 M) compared to the same period last year, primarily due to higher net revenue as well as lower costs during the period. Gross margin during 3Q16 reached 42%, compared to 28% in 3Q15.

c. Administrative Expenses:

Administrative expenses in 3Q16 were US$ 11.0 M, 35% higher than 3Q15 (US$ 2.9 M), mainly due to higher workers' profit participation, because of higher income achieved in the period. Likewise, during 3Q15 there was a reversal of accrued cumulative participations, as a result of lower metal prices. Excluding the workers participation effect, administrative expenses were 9% higher than 3Q15.

d. Exploration and project expenses:

In 3Q16, exploration and project expenses were US$ 1.6 M, a decrease of 89% (US$ 12.5 M) compared to 3Q15. This reduction was explained by an optimization and prioritization of expenditures in the execution of exploration projects in San Rafael´s surrounding areas, as well as the capitalization of investments of the B2 and Marcobre projects upon completing the feasibility study phase.

e. EBITDA:

EBITDA in 3Q16 amounted to US$ 70.0 M, an increase of 112% (US$ 37.0 M) compared to 3Q15. This was mainly due to improved operating results at Taboca compared to 3Q15, when Taboca was impacted by an incident at the hydroelectric plant dam. Moreover, optimization at explorations and projects also contributed to this increase. The EBITDA margin in 3Q16 reached 43% vs 24% in 3Q15. EBITDA reached US$ 160.9 M for 9M16 vs US$ 129.9 M in the same period of last year, an increase of 24%.

f. Net income and adjusted net income:

Net income in 3Q16 reached US$ 10.6 M, an increase of US$ 37.5 M compared to 3Q15, mainly due to better results from ongoing operations. Similarly, the adjusted net income reached US$ 20.5 M in 3Q16, an increase of US$ 34.2 M compared to 3Q15. In 9M16, Net Income reached US$ 49.3 M vs -US$ 30.3 M obtained in the same period of 2015, while adjusted Net Income reached US$ 49.5 M vs -US$ 13.3 M in the same period of 2015.

VI. LIQUIDITY:

As of September 30, 2016, cash and cash equivalents totaled US$ 596.1 M, a 1% increase to that reported at the end of 2015 (US$ 590.0 M). Regarding debt levels, financial obligations as of September 30, 2016 totaled US$ 544.6 M, similar to that reported at the end of 2015 (US$ 546.3 M). Net debt/EBITDA ratio remains at -0.3 x as of September 30, 2016.

Table N ° 12. Net debt

Financial Ratios	Unit	Sep-16	Dec-15	Var (%)
Total Debt	US$ M	544.6	546.3	0%
Cash	US$ M	596.1	590.0	1%
Net Debt	US$ M	-51.5	-43.7	18%
Total Debt / EBITDA	x	3.0x	3.7x	-18%
Net Debt / EBITDA	x	-0.3x	-0.3x	-3%

2016 Guidance

Unit	Metric	Previous Guidance	Updated Guidance
San Rafael/ Pisco	Production of refined tin (tons)	20,000 – 21,000	19,000 – 19,500
	Cash Cost per treated ton at San Rafael (US$)	70 - 90	Within range
	Total CAPEX (Ore Sorting included) (US$M)	30 - 38	Lower end
Puca-marca	Production of ounces of gold (thousands)	95 - 105	Higher end
	Cash Cost per treated ton (US$)	4.5 – 5.0	Lower end
	Total CAPEX (US$M)	8.0 – 10.0	Lower end
Pitinga / Pirapora	Production of refined tin (tons)	6,000 – 7,000	Within range
	Production of ferroalloys (tons)	2,000 – 2,200	1,900 – 2,000
	Cash Cost per treated ton at Pitinga (US$)	17.0 – 19.0	Higher end
	Total CAPEX (US$M)	45 - 54	Higher end

Conference call information

Minsur S.A. cordially invites you to participate to its 3Q16 earnings conference call

Date and time:
Tuesday, November 22, 2016
10:00 a.m. (New York time)
10:00 a.m. (Lima time)

To participate, please dial:
USA 1-800-311-9401
International (outside the USA dial) 1-334-323-7224
Access code: 98214

COMPANY DESCRIPTION:

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

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

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

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