



Volcan Compañía Minera

May 2016

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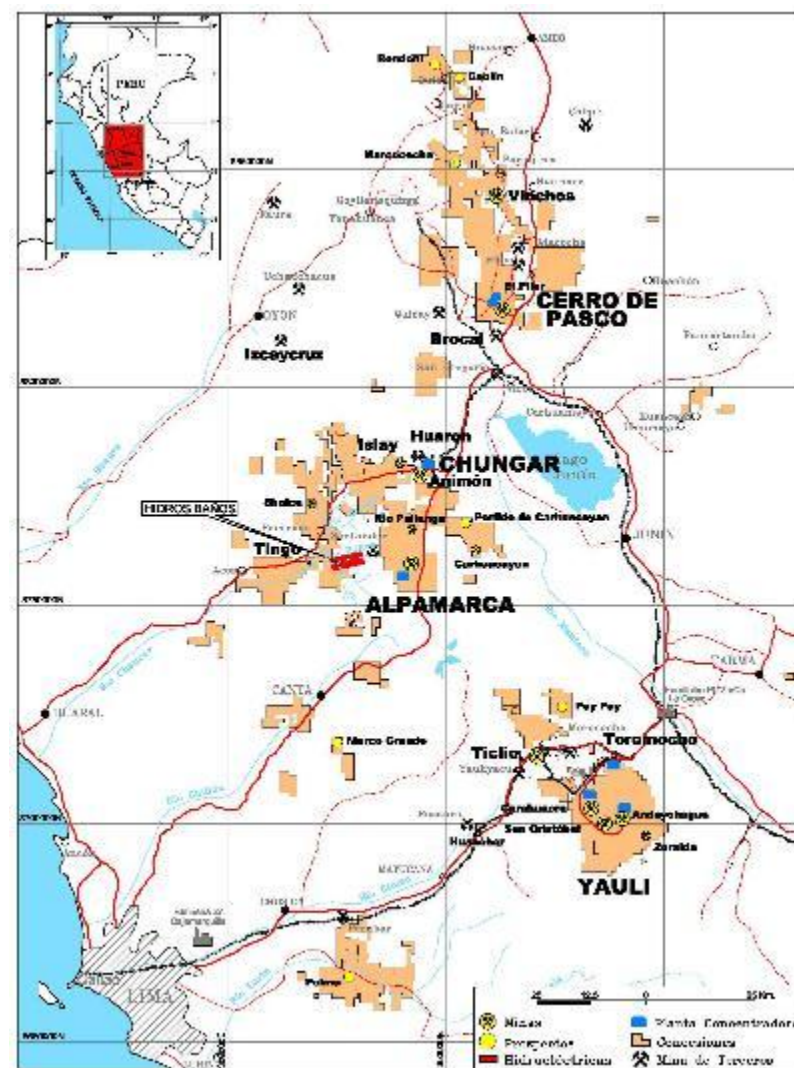
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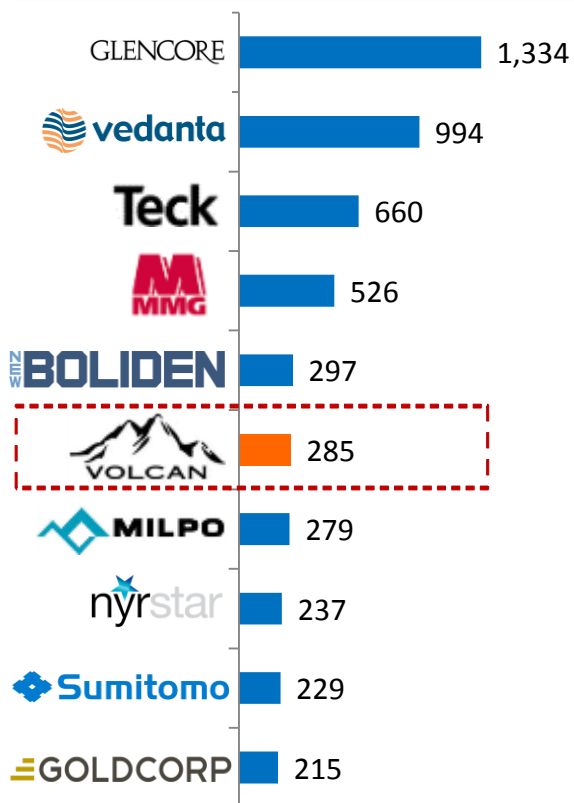
Strategic Location with Diversified Operations

- More than 70 years of mining experience
- Committed to the highest standards of safety & environmental protection
- A world-class producer with significant organic growth potential
- Diversified, balanced and increasing production of base & precious metals
 - Four operating units, 12 mines
 - Seven concentrator plants & one lixiviation plant (Ag oxides)
- First-quartile C1 zinc & silver cash costs
- Highly prospective mining concessions
- Logistical flexibility
- Constructive relationships with authorities, labor & communities

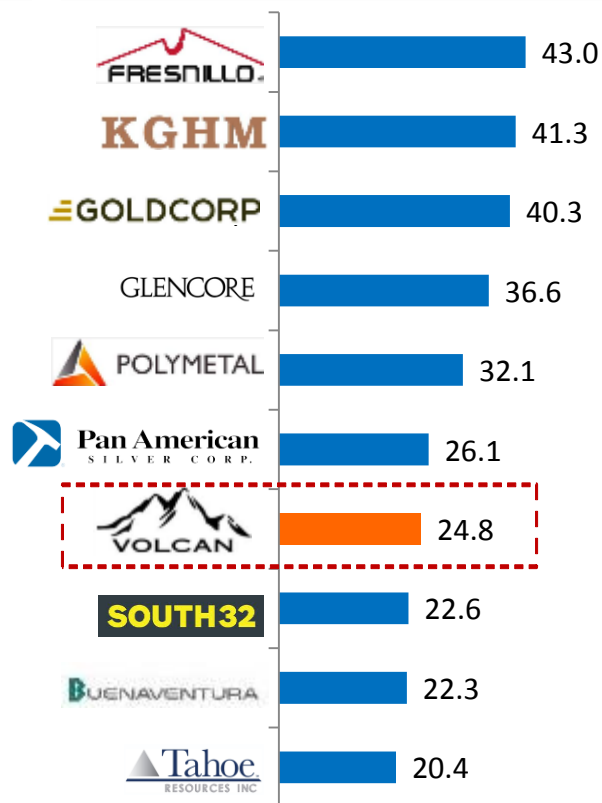


A Leading Global Producer of Zinc, Silver & Lead¹

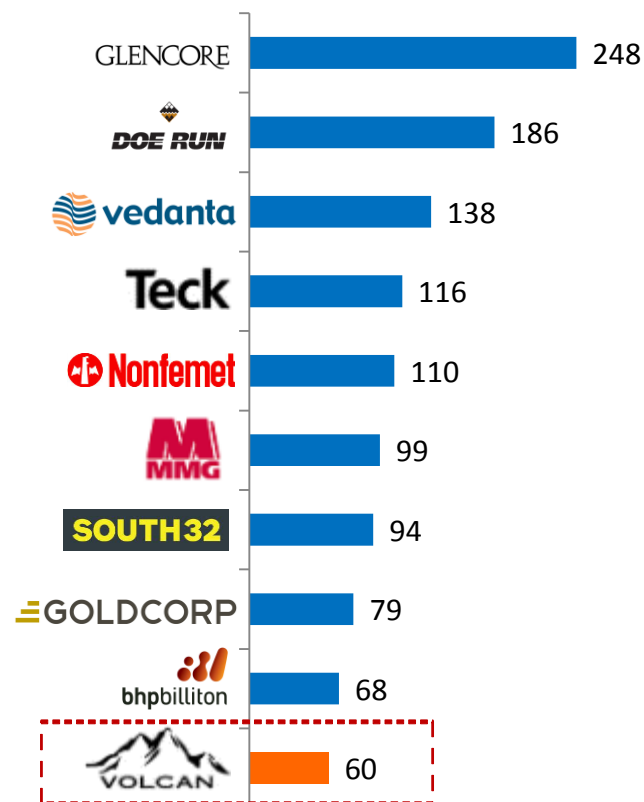
**Zinc Production 2015
(000 FMT)**



**Silver Production 2015
(MM Oz)**



**Lead Production 2015²
(000 FMT)**



- Significant negotiating leverage due to ability to deliver large volumes across several key metals
- Broad client base composed of major global commodity traders and refineries

4 ¹ Source: Wood Mackenzie, SNL & Company

² Paid metal was used as a proxy for 2015 Pb production. Paid metal is the proportion of metal in concentrate paid for by the smelter or refiner.

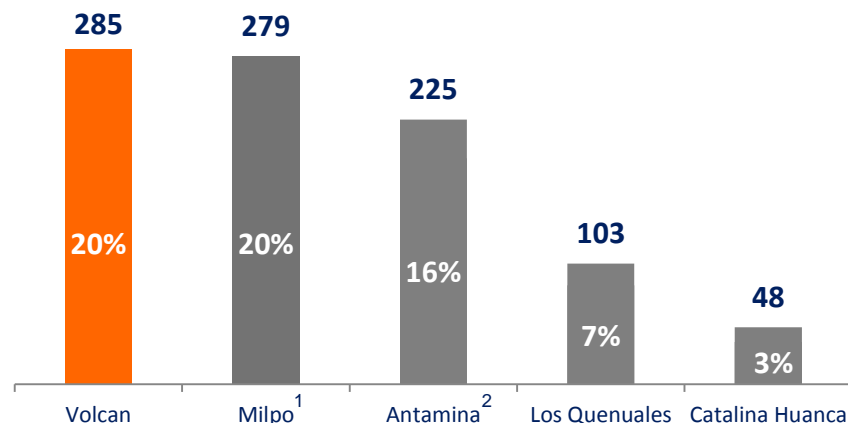


A Leading Producer of Zinc, Silver & Lead in Peru

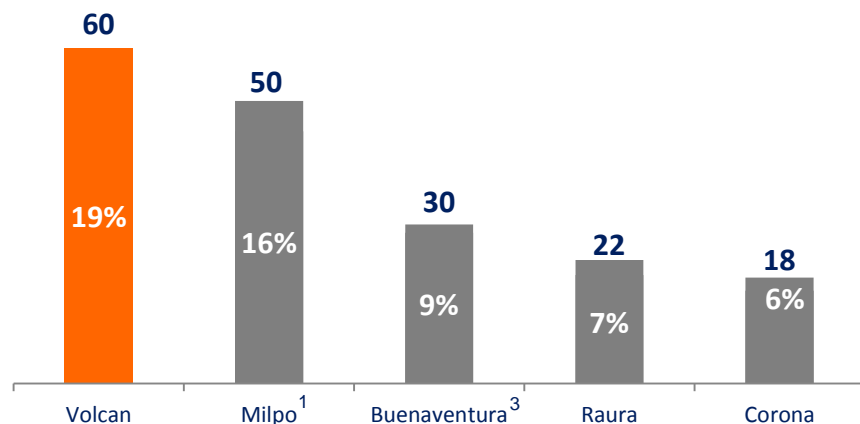
Peru Ranking – Mining Production 2015

Metal	LatAm	Global
Zinc	1	3
Lead	1	4
Silver	2	3

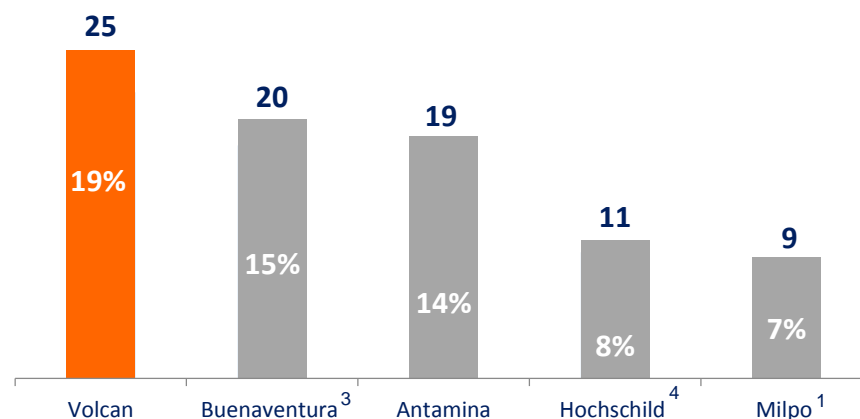
Zinc Production 2015 (000 FMT)



Lead Production 2015 (000 FMT)



Silver Production 2015 (MM Oz)



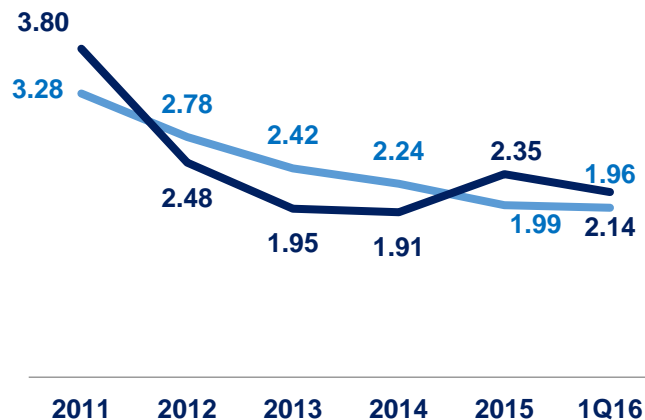
5 Source: Peru Ministry of Energy & Mines. ¹ Includes Atacocha. ² Considers comercial production only.
³ Includes 54% of El Brocal. ⁴ Considers only Peruvian Ag production (Arcata, Inmaculada & Pallancata)



A Safe Place to Work¹

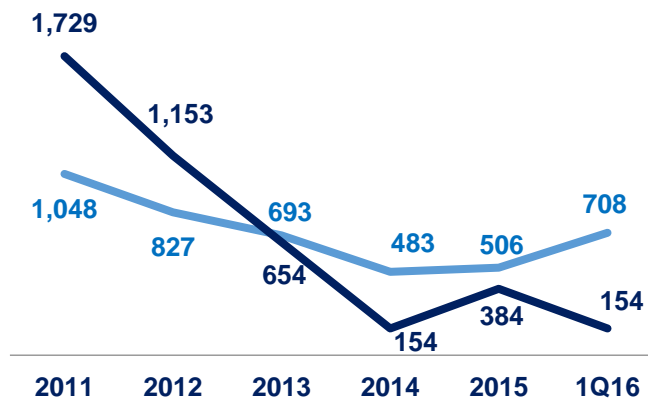
Frequency Index

(Lost-time injuries per million hours worked)

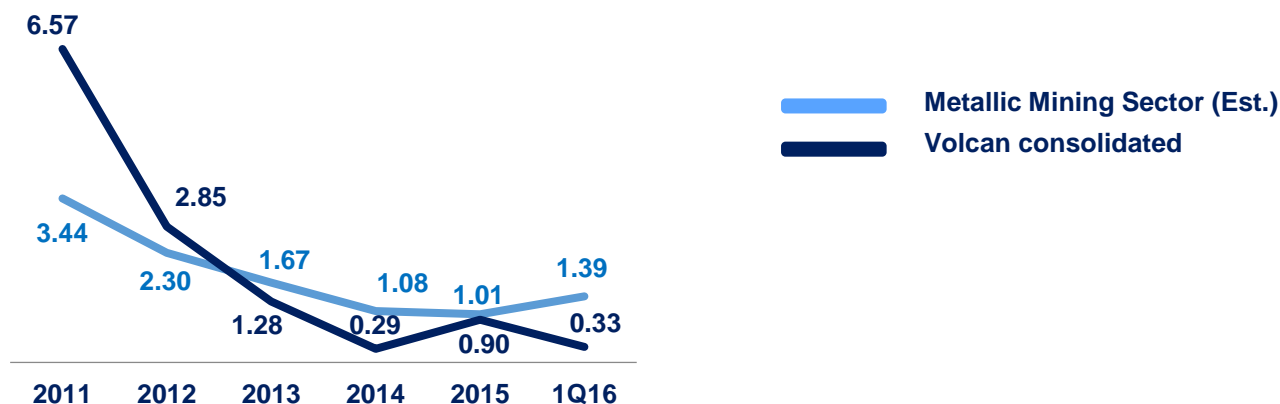


Severity Index

(Days lost per million hours worked)



Accident Index (Frequency x Severity)



Mining Operations



Mines: Four underground, one open pit
Reserves: 34.6 MM MT; 4.91% (Zn), 0.85% (Pb), 0.20% (Cu), 3.52 oz/MT (Ag)
Capacity: 11,000 tpd from three concentrator plants
Mine life¹: Nine years (reserves), 20 years (reserves + inferred resources)
Production²: 175 K FMT (Zn), 25 K FMT (Pb), 3 K FMT (Cu), 12.9 MM oz (Ag)



Mines: Two underground
Reserves: 11.3 MM MT; 4.86% (Zn), 1.49% (Pb), 0.14% (Cu), 2.86 oz/MT (Ag)
Capacity: 5,500 tpd from one concentrator plant
Mine life¹: Five years (reserves), 13 years (reserves + inferred resources)
Production²: 89 K FMT (Zn), 23 K FMT (Pb), 1 K FMT (Cu), 4.6 MM oz (Ag)



Mines: One underground, one open pit
Reserves: 3.1 MM MT; 1.13% (Zn), 0.73% (Pb), 2.58 oz/MT (Ag)
Capacity: 2,500 tpd from one concentrator plant
Mine life¹: Three years (reserves), Seven years (reserves + inferred resources)
Production²: 9 K FMT (Zn), 6 K FMT (Pb), 2.7 MM oz (Ag)

Mining Operations



Mines:	Two underground, open pit
Reserves:	15.3 MM MT; 3.51% (Zn), 1.21% (Pb), 1.56 oz/MT (Ag)
Capacity:	6,000 tpd from two concentrator plants
Production²:	12 K FMT (Zn), 5 K FMT (Pb), 1 MM Oz (Ag)

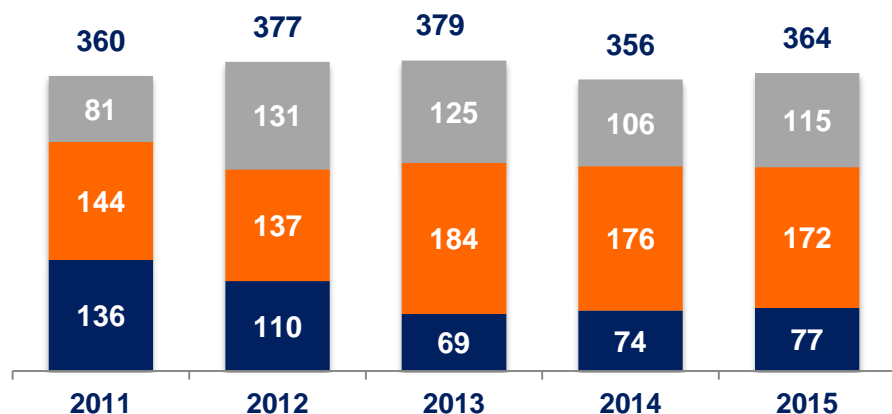


Feed:	Stockpiles & in-situ mineral from Raul Rojas Open Pit
Reserves:	12.6 MM MT; 6.42 oz/MT (Ag)
Capacity:	2,500 tpd from one lixiviation plant
Mine life¹:	14 years of reserves, 20 years (reserves + inferred resources)
Production²:	3.6 MM Oz (Ag) 5.3 k Oz (Au)

Solid Life of Mine (LOM)¹, Robust Geological Potential

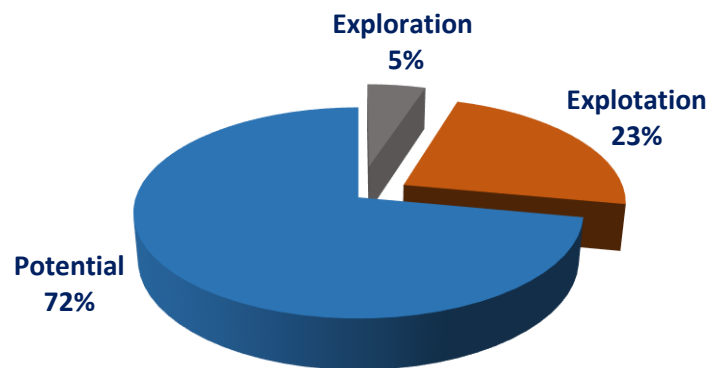
- 8-year LOM (Reserves), 20-year LOM (Reserves + Inferred Resources)
- 10 MM FMT of Zn (Reserves + Resources)
- 886 MM ounces of Ag (Reserves + Resources)

Evolution of Reserves & Resources (MM MT)



■ Inferred Resources ■ Measured & Indicated Resources ■ Reserves

~ 323k Ha. of Mining Concessions

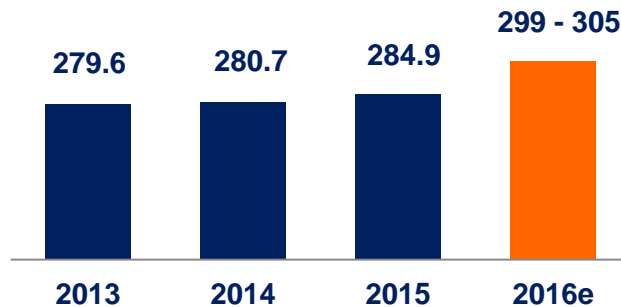


Note: Prices used to calculate R+R 2015: Zn 2,200 USD/MT, Pb 2,000 USD/MT, Cu 6,500 USD/MT, Ag 18 USD/Oz

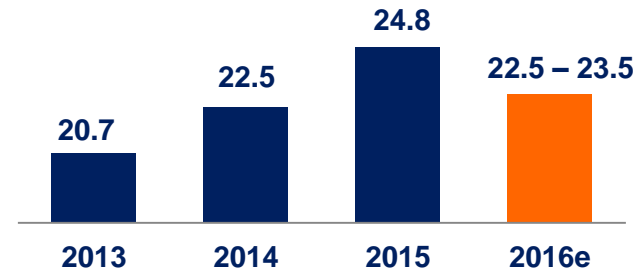
Increasing Production with Operational Flexibility

- Additional production from Yauli, Chungar & Alpamarca compensate for suspended production at Cerro de Pasco mines
- Silver production now more diversified

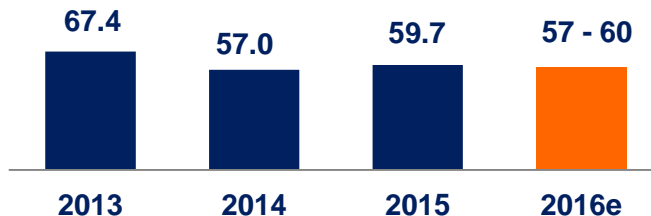
**Zinc Production
(000 FMT)**



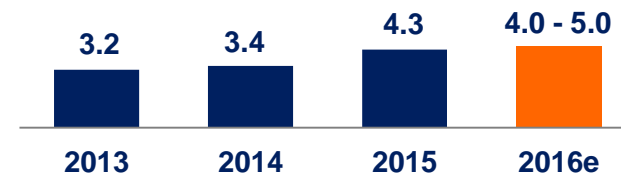
**Silver Production
(MM Oz)**



**Lead Production
(000 FMT)**

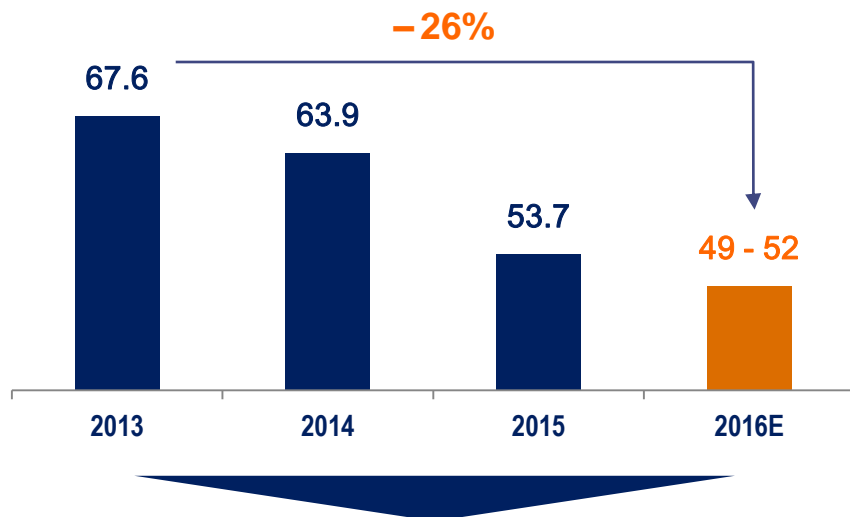


**Copper Production
(000 FMT)**



Restructuring & Reduction of Operating Costs

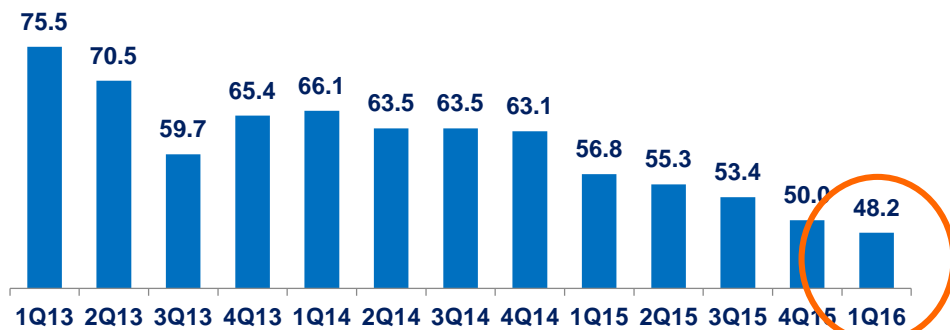
Annual Unit Cost (USD/MT)¹



Embedded operating-cost reductions from continuous-improvement program integrated into all operating units

- Optimization of mining methods
- Restructuring of the number, scope and rates of contractors
- Optimization of raw material consumption
- Personnel reduction
- Increased efficiencies in mine support & energy usage

Quarterly Unit Cost (USD/MT)¹



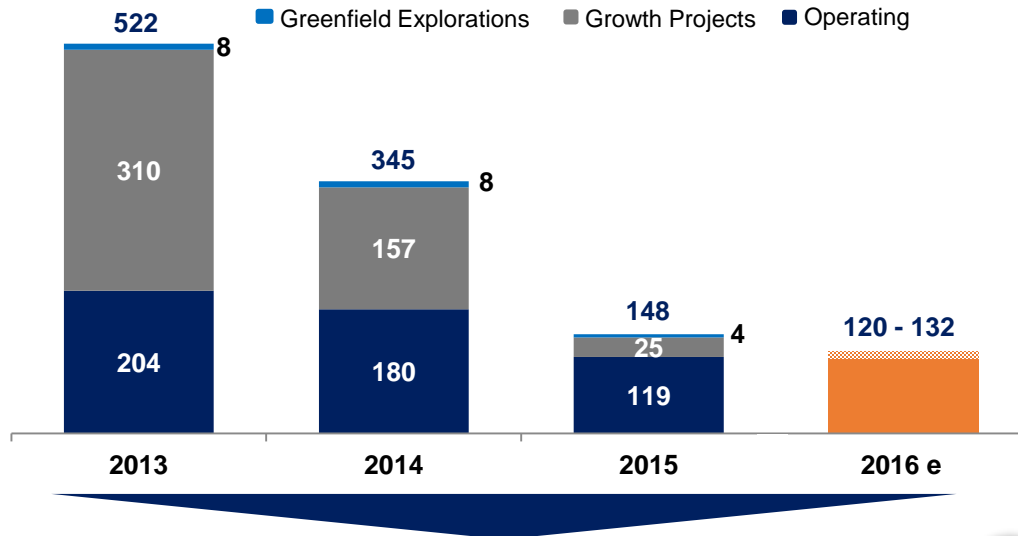
36% operating-cost reduction over the last three years



5% to 9% YOY operating-cost reduction expected in 2016

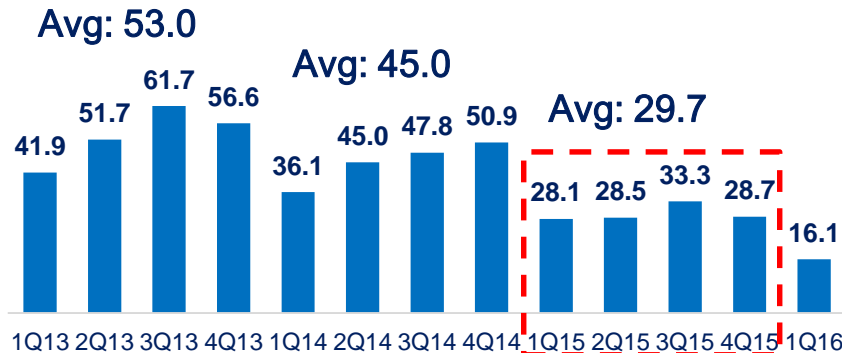
Disciplined Capital Investment

Annual Mining CAPEX (USD MM)



Growth investments completed for this cycle

Quarterly Mining CAPEX (USD MM)



57% CAPEX reduction in 2015



11% – 16% YOY CAPEX reduction expected for 2016



Optimization operating investments without compromising production

Mining Operations Guidance 2016

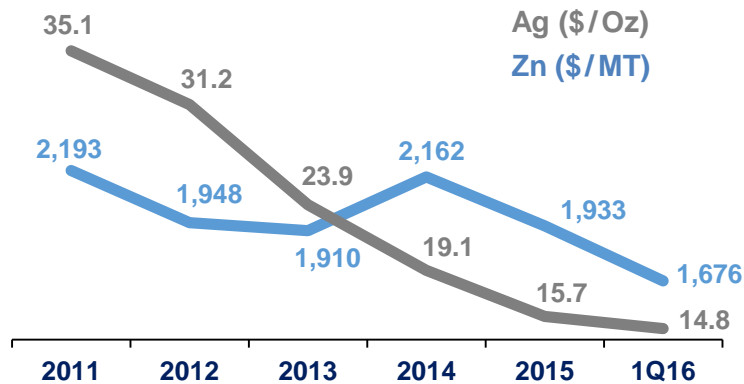
Consolidated Production		2014	2015	Var. %	Estimated 2016
TMT (000)		7,395	7,910	7.0	7,200 - 8,000
Zinc	(000 FMT)	281	285	1.4	299 - 305
Lead	(000 FMT)	57	60	4.6	57 - 60
Copper	(000 FMT)	3.4	4.3	25.3	4.0 - 5.0
Silver	(MM Oz)	22.5	24.8	10.2	22.5 - 23.5
Gold	(000 Oz)	0.7	5.3	715.0	3.5 - 5.0

Consolidated OPEX		2014	2015	Var. %	Estimated 2016
Unit Cost	(USD/TM)	63.9	53.7	-15.9	49.0 - 52.0

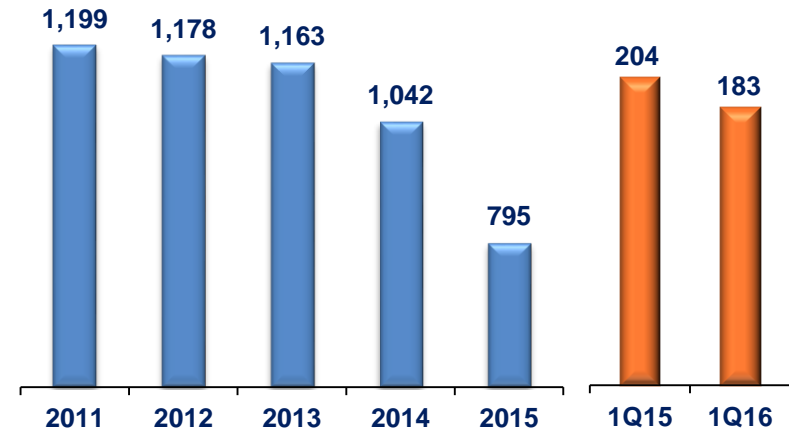
Consolidated CAPEX (MM USD)		2014	2015	Var. %	Estimated 2016
Mining Operation		344.4	147.6	-57.1	120.0 - 132.0
Operating Capex		179.7	118.6	-34.0	115.0 - 125.0
Greenfield Explorations		7.7	4.1	-46.8	4.0 - 6.0
Growth Projects and Others		157.0	24.9	-84.1	1.0 - 1.0

Financial Indicators

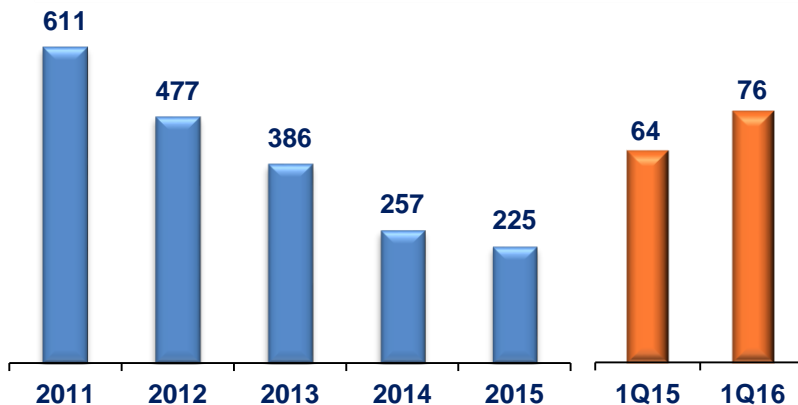
Average Spot Prices (LME)



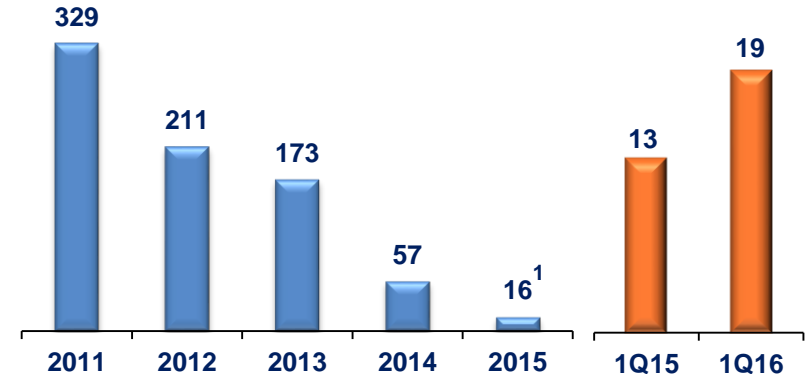
Sales (USD MM)



EBITDA (USD MM)



Net Profit (USD MM)



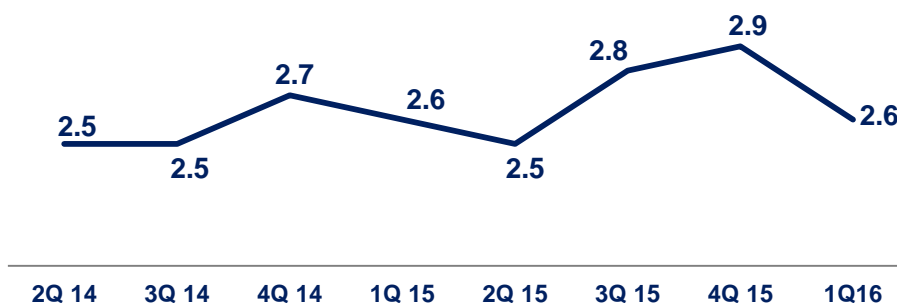
Liquidity & Creditworthiness

- Focused on increasing cash generation & balance-sheet strength
- Cost reduction & CAPEX optimization sustaining cash balance in low-price environment

Cash Balance (USD MM)

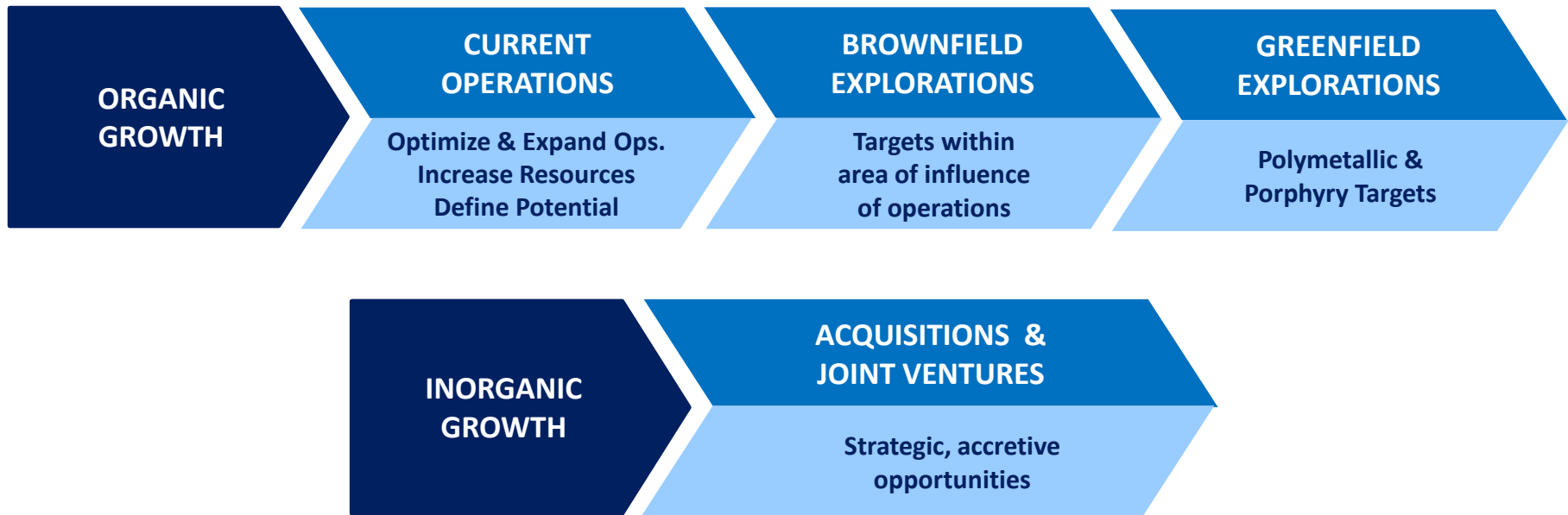
Balance – Dec 2015	192
Operating Flow	29
Mining Investment	-25
Energy Investment	-2
Other Investments	-3
Balance - Mar 2016	191

Net Debt / EBITDA (Mining) ¹



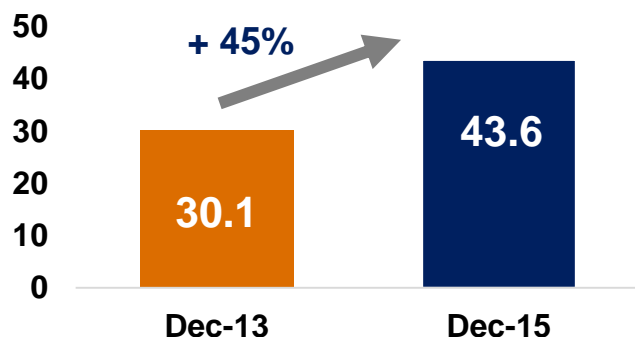
Growth Strategy

- Build on competitive global position in zinc, silver & lead production
- Deliver excellence throughout the value chain
- Capitalize on the geological potential within the portfolio
- Enhance diversification through significant copper production
- Achieve goals via organic & inorganic growth

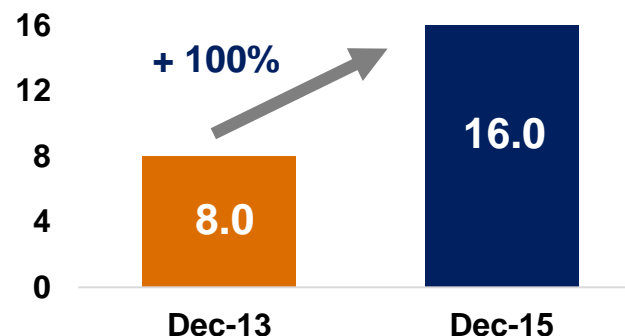


Increasing Inferred Resources & Potential

**Yauli Unit
Inferred Resources (MM MT)**

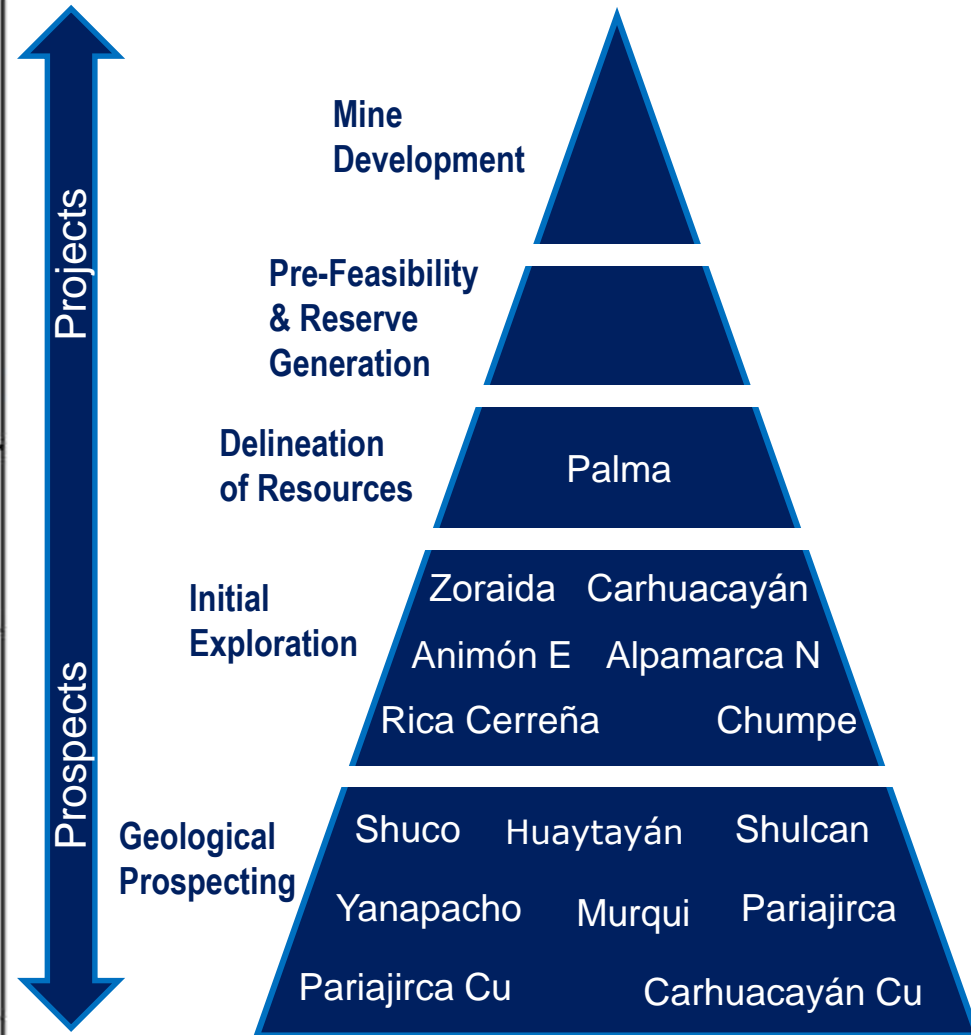
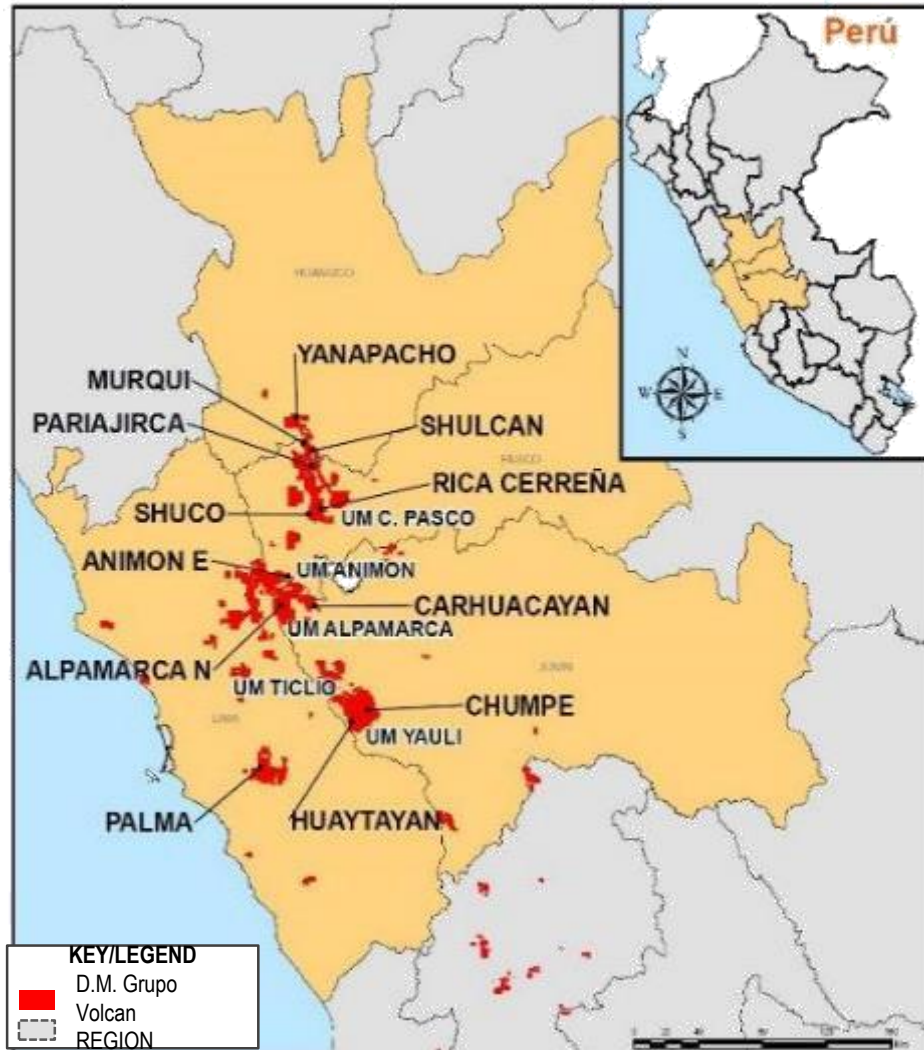


**Chungar Unit
Inferred Resources (MM MT)**



- In 2014, Volcan initiated the systematic exploration of the mineralized clusters that comprise its operations with two goals: sustaining production & generating brownfield growth projects
- Yauli results: + 45% inferred resources, + 34% Zn (from 1.5 MM FMT to 2.0 MM FMT), + 12% Ag (from 127 MM Oz to 142 MM Oz)
- Chungar results: + 100% inferred resources, + 56% Ag (from 30 MM Oz to 47 MM Oz)
- The importance of these exploration results allows Volcan to begin to consider how best to expand the operations at Yauli and Chungar

Greenfield Project Pipeline



Energy Operations

100 MW hydroelectric energy portfolio

- 23 MW connected to the Chungar unit
- 20 MW connected to the national grid
- 20 MW Rucuy Hydroelectric Plant completed 3Q16
- Additional 44 MW of development projects

Current infrastructure	Capacity
12 Hydroelectric plants	43 MW
15 Transmission lines	350 Km
26 Electric substations	300 MVA

Volcan Electric Balance	GWh	%
Consumption 2015	654	100
Self generation	317	48

Cost	USD/ MWh	Hydroelectric Projects	Capacity
Produced energy	20	Rucuy plant	20 MW
Purchased energy	74	Tingo Expansion	14 MW
		Chancay 2 plants	30 MW

Rucuy Hydroelectric Plant



Why Invest in Volcan?



- A world-class, low-cost producer
- Experienced management
- Committed to the highest safety & sustainability standards
- Diversified among base & precious metals
- Increasing production through organic growth
- Highly prospective, wholly-owned resource base

Annex

Volcan Compañía Minera History

In 1943 the Company began operations as Volcan Mines Company. For more than 50 years, Volcan operated only two mines, Ticlio and Carahuacra, and the concentrator plant Victoria.

In 1997 Volcan acquired Empresa Minera Mahr Tunel, owner of the San Cristobal and Andaychagua mines, and the concentrator plants Mahr Tunel and Andaychagua.

In 1999 Volcan acquired Empresa Minera Paragsha, which included the Cerro de Pasco mining operation.

One year later, in 2000, Volcan acquired Empresa Administradora Chungar with 450 ha. of mining concessions and a 350 tpd processing plant. Today Chungar produces 5,500 tpd.

These acquisitions, as well as mine and plant expansions executed by the Company in the last 15 years, turned Volcan into one of the principal producers of zinc, silver and lead in the world.



Ticlio, 1943

Volcan Compañía Minera Production Growth

PRODUCTION	1997	2015
Zinc Concentrates (000 MT)	50	544
Lead Concentrates (000 MT)	6	98
Copper Concentrates (000 MT)	-	14
Silver (MM Oz)	0.5	24.8

Yauli Mining Unit

Mines: Four underground, one open pit
 Capacity: 11,000 tpd from three concentrator plants
 Mine life¹: Nine years of reserves, 20 years reserves + inferred resources



Roberto Letts Shaft,
Andaychagua Mine (Yauli)

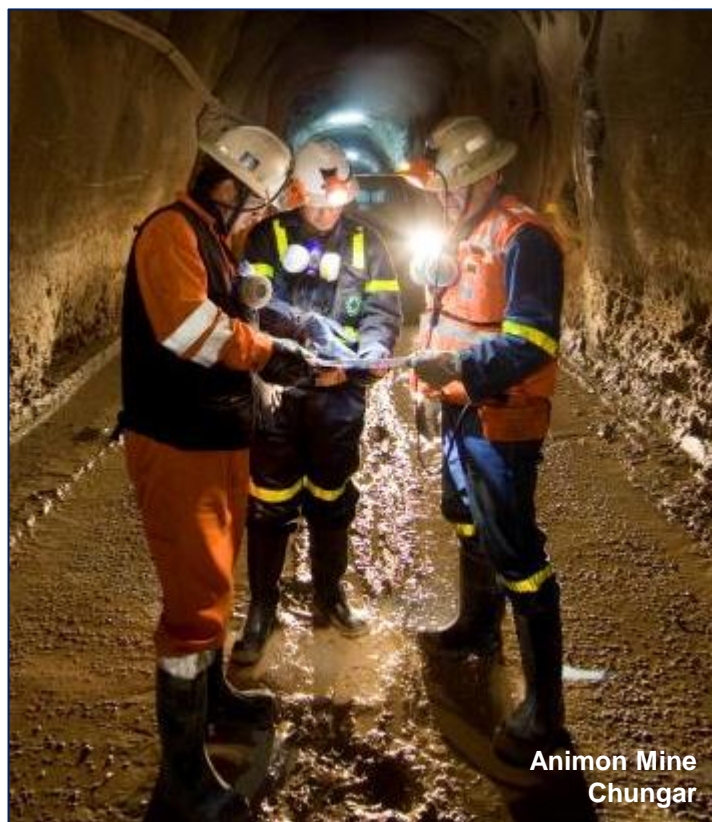
1. Largest unit by volume & revenue
2. Ongoing infrastructure investment, improving efficiency
3. Systematic exploration of deposits in current operation & brownfield targets

Yauli Consolidated Production

		2012	2013	2014	2015	1Q16
Treatment	000 TMT	3,550	3,743	3,837	3,994	984
Zinc	000 FMT	154	159	158	175	46
Lead	000 FMT	31	31	22	25	7
Copper	000 FMT	2	2	2	3	1
Silver	MM Oz	11.1	10.8	11.5	12.9	3.2
Unit Cost	USD/MT	65.8	66.2	66.1	58.6	55.8
Operating Inv.	USD MM	123	111	100	63	9

Chungar Mining Unit

Mines: Two underground
 Capacity: 5,500 tpd from one concentrator plant
 Mine life¹: Five years of reserves, 13 years reserves + inferred resources



1. Most profitable unit
2. Jacob Timmers shaft (5,000 tpd) in production since 3Q14
3. Systematic exploration of deposits in current operation & brownfield targets

Chungar Consolidated Production

		2012	2013	2014	2015	1Q16
Treatment	000 TMT	1,621	1,827	1,954	1,896	510
Zinc	000 FMT	97	102	104	89	23
Lead	000 FMT	23	27	25	23	6
Copper	000 FMT	1	1	1	1	0
Silver	MM Oz	5.4	7.0	5.9	4.6	1.1
Unit Cost	USD/MT	59.9	56.9	53.6	48.1	48.2
Operating Inv.	USD MM	72	80	65	41	5

Alpamarca Mining Unit

Mines: One underground, one open pit
 Capacity: 2,500 tpd from one concentrator plant
 Mine life¹: Three years of reserves, seven years reserves + inferred resources



1. In operation since 2Q14
2. Costs below projections
3. Significant brownfield & greenfield opportunities

Alpamarca Consolidated Production		2014	2015	1Q16
Treatment	000 TMT	593	879	224
Zinc	000 FMT	6	9	3
Lead	000 FMT	4	6	2
Copper	000 FMT	0	1	0
Silver	MM Oz	2.2	2.7	0.5
Unit Cost	USD/MT	47.6	33.2	25.0
Operating Inv.	USD MM	11.9	5.6	0.2

Oxides Plant

Capacity: 2,500 tpd from one lixiviation plant
 Feed: Stockpiles & in-situ mineral from Raul Rojas Open Pit
 Mine life¹: 14 years of reserves, 20 years reserves + inferred resources



1. Production initiated 2Q14
2. Plant operating at full capacity since 1 June, 2015
3. Annual production (est.): 3 MM to 4 MM Oz (Ag)

Oxides Plant Production				
		2014	2015	1Q16
Treatment	000 TMT	239	743	226
Silver	MM Oz	1.1	3.6	1.0
Gold	Oz	651	5,312	933
Unit Cost	USD/MT	-	39.1	39.3
Operating Inv.	USD MM	-	9.0	1.9

Cerro de Pasco Mining Unit

Mines: Two underground, one open pit
Capacity: 6,000 tpd from two concentrator plants



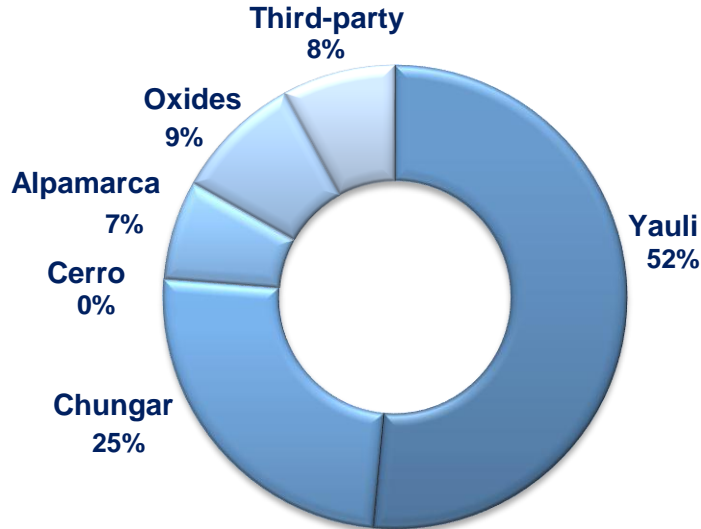
1. Unit in transition, production suspended
2. Evaluation of new business opportunities in progress

Cerro de Pasco Consolidated Production

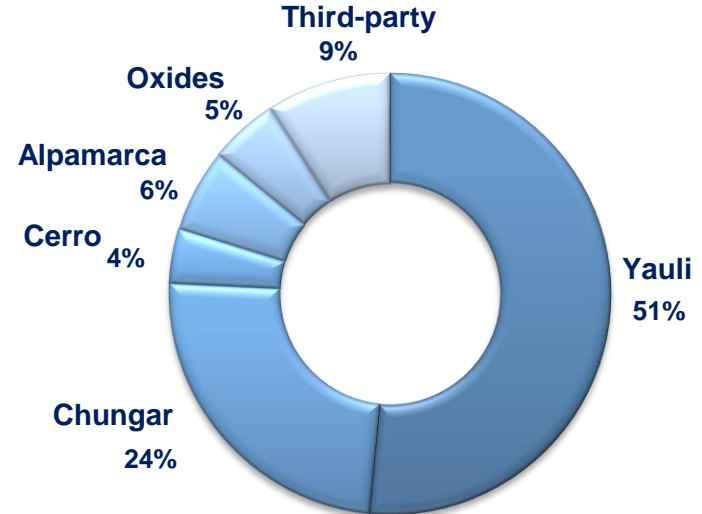
		2012	2013	2014	2015
Treatment	000 TMT	2,656	840	771	399
Zinc	000 FMT	46	19	13	12
Lead	000 FMT	19	9	6	5
Silver	MM Oz	5	3	2	1
Unit Cost	USD/MT	41.1	96.3	99.6	97.4
Operating Inv.	USD MM	34.6	10.6	1.8	-0.1

Sales Breakdown by Origin

1Q16



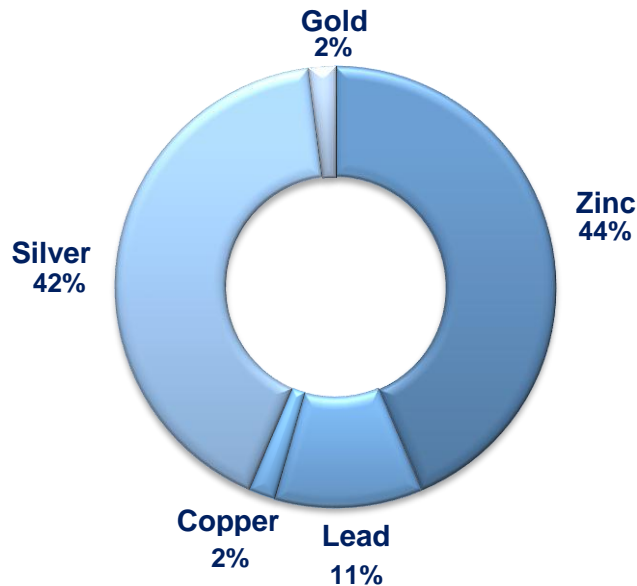
1Q15



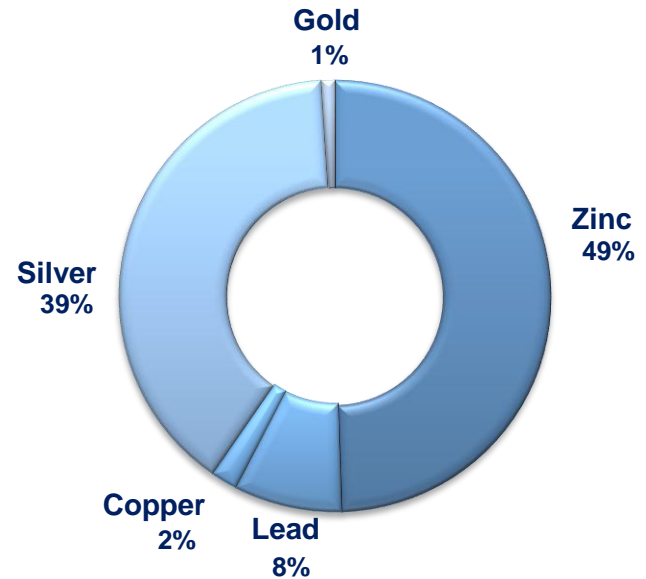
- In 1Q16, sales from the Oxides Plant accounted for 9% of sales, increasing from 5% of sales in 1Q15
- Third-party concentrate sales continues to decline as expected

Sales Breakdown by Metal

1Q16



1Q15



- The increase in silver participation is driven by greater production from Yauli and the Oxides Plant producing at full capacity
- Lower zinc prices caused the contribution of zinc sales to decrease, despite an increase in volume sold

Competitive Operating Cash Cost

Cash Cost ¹	Zinc (USD/MT)		
	1Q16	1Q15	var%
Co - Product	1,205	1,415	-14.8
By - Product	868	1,052	-17.5

Price	Unit	1Q16	1Q15
Zinc	USD/MT	1,676	2,081
Silver	USD/Oz	14.8	16.7

Source: Average LME spot price

Cash Cost ¹	Silver (USD/Oz)		
	1Q16	1Q15	var%
Co - Product	10.7	11.5	-7.0
By - Product	4.8	5.6	-14.3

Bonds and Credit Ratings

International Bond Emission

- ✓ USD 600 MM issued February 2012
- ✓ Rate: 5.375% maturing February 2022
- ✓ Demand: USD 4.8 B

Credit Ratings

FitchRatings : **BBB-**

MOODY's : **B2**

Stock Market Highlights¹

Stock Market Listings

Lima	Since 1956
Madrid (Latibex)	Since 2000
Santiago	Since 2007

Class A Shares : Full voting rights

Shares outstanding: 1,633,414,553

Aprox. 600 shareholders

Class B Shares : Div. premium of 5% over Class A

Shares outstanding: 2,443,157,622

Aprox. 8,500 shareholders

Selected Institutional Shareholders of Volcan Compañía Minera S.A.A.

AFP Habitat	Credicorp Capital	La Positiva
AFP Integra	Eaton Vance	Manchester International Properties S.A
Arca Trading Limited	El Pacifico	Mercury Asset Management
Atlantic Security Bank	Emerging Markets Equity Fund	Prima AFP
Blackrock Global Funds	Fondo SRC De La Marina de Peru	Profuturo AFP
Bleauvelt Capital Partners	Inteligo	Scotia Fondos
City of New York	Ishares MSCI All Peru Capped	Seguro Social De Salud - Essalud



Gracias!
