



Volcan Compañía Minera



Corporate Presentation - May 2017

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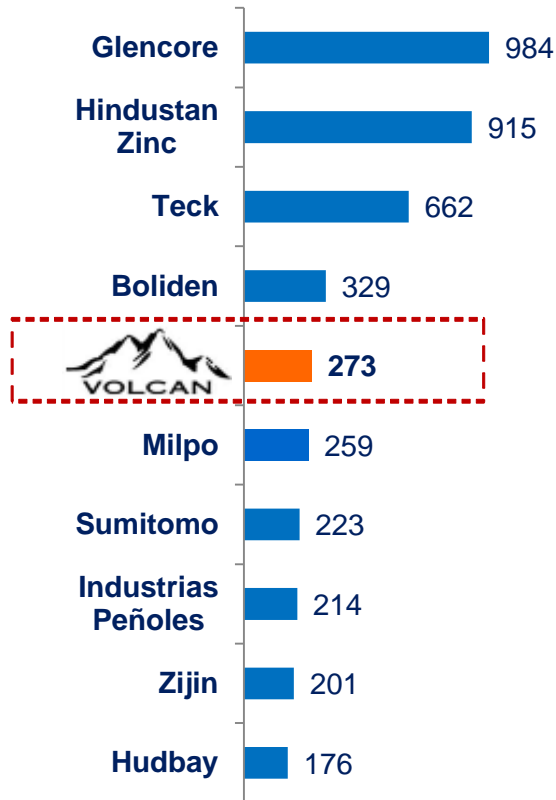
Strategic Location with Diversified Operations

- 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 stable production of base & precious metals
 - Five operating units, 12 mines
 - Seven concentrator plants & one lixiviation plant (Ag oxides)
- First-quartile C1 zinc & silver cash costs
- Logistical flexibility
- Constructive relationships with authorities, labor & communities

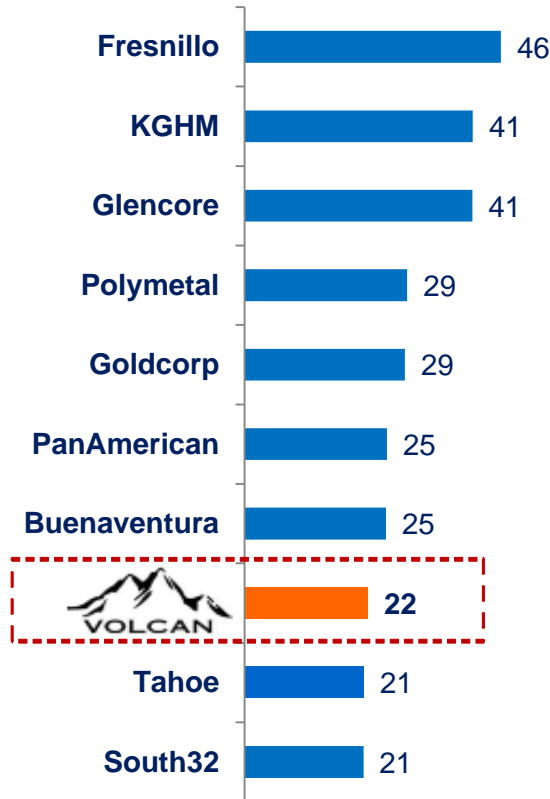


A Leading Global Producer of Zinc, Silver & Lead

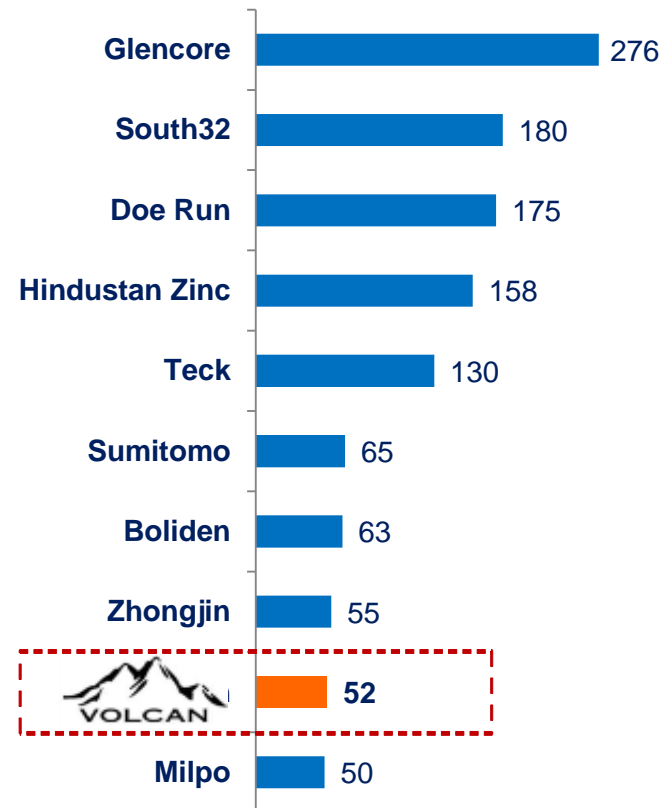
**Zinc Production 2016
(000 FMT)**



**Silver Production 2016
(MM Oz)**



**Lead Production 2016
(000 FMT)**



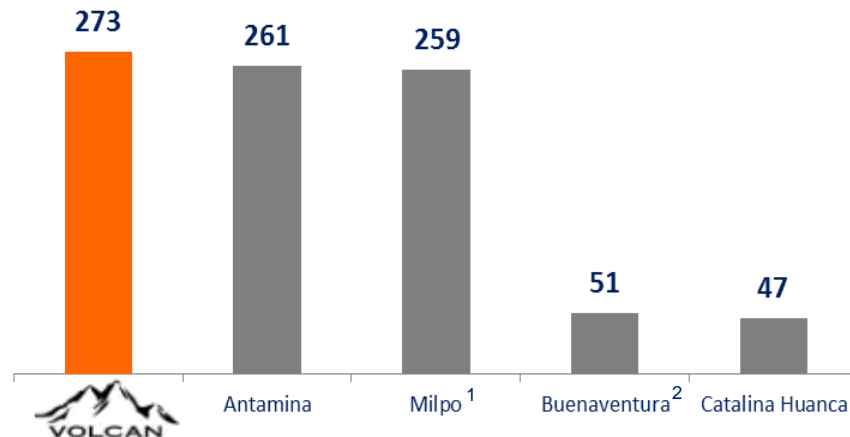
- Significant negotiating leverage due to ability to deliver large volumes across several key metals
- Broad client base composed of major global commodity traders and refineries

A Leading Producer of Zinc, Silver & Lead in Peru

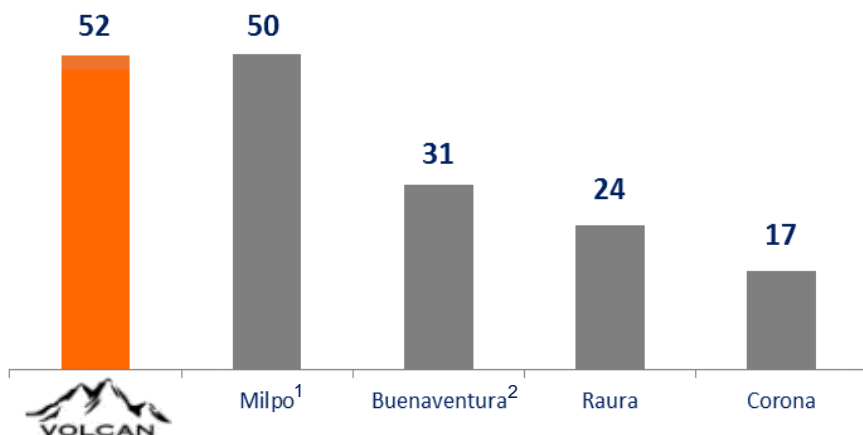
Peru Ranking – Mining Production 2016

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

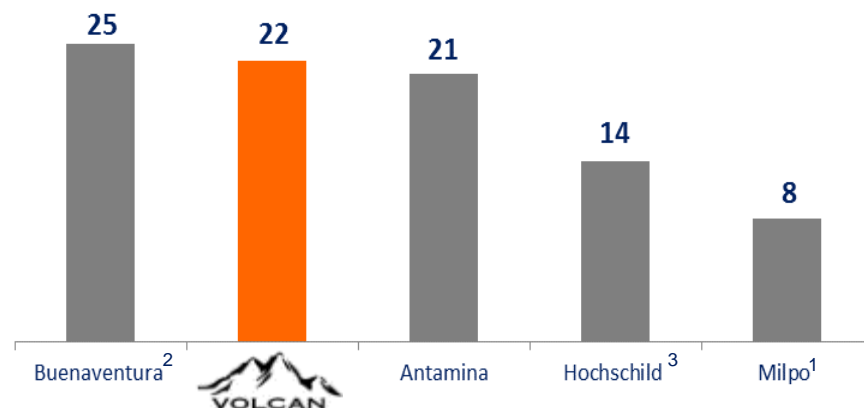
Zinc Production 2016 (000 FMT)



Lead Production 2016 (000 FMT)



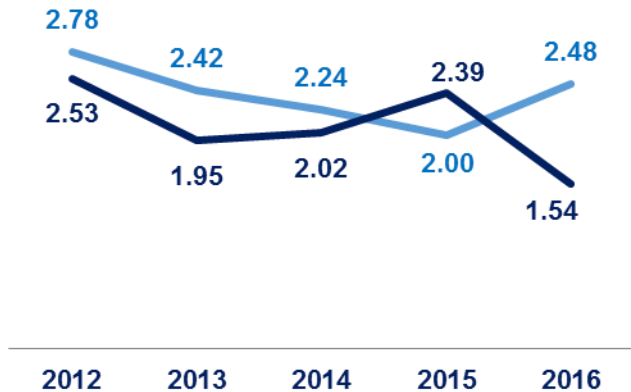
Silver Production 2016 (MM Oz)



A Safe Place to Work

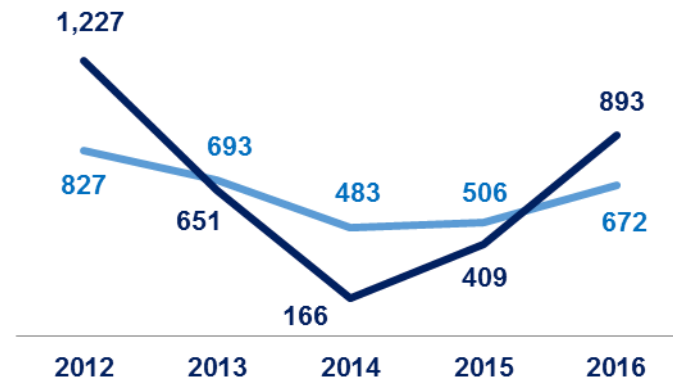
Frequency Index

Lost-time injuries per million hours worked



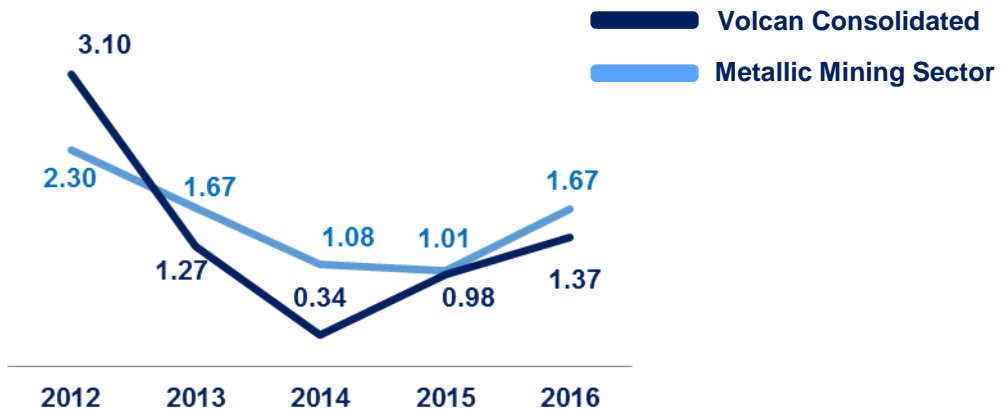
Severity Index

Days lost per million hours worked



Accident Index

Frequency x Severity



Mining Operations¹



Yauli

Mines:

Four underground, one open pit

Reserves:

27.3 MM MT; 5.34% (Zn), 0.89% (Pb), 0.22% (Cu), 3.24 oz/MT (Ag)

Capacity:

11,000 tpd from three concentrator plants

LOM:

Seven years (reserves), 16 years (reserves + inferred resources)

Production:

165 K FMT (Zn), 24 K FMT (Pb), 3 K FMT (Cu), 11.6 MM oz (Ag)



Chungar

Mines:

Two underground

Reserves:

9.8 MM MT; 5.21% (Zn), 1.50% (Pb), 0.14% (Cu), 2.52 oz/MT (Ag)

Capacity:

5,500 tpd from one concentrator plant

LOM:

Five years (reserves), 12 years (reserves + inferred resources)

Production:

96 K FMT (Zn), 20 K FMT (Pb), 1 K FMT (Cu), 4.1 MM oz (Ag)



Alpamarca

Mines:

One underground, one open pit

Reserves:

0.7 MM MT; 1.11% (Zn), 0.69% (Pb), 2.78 oz/MT (Ag)

Capacity:

2,500 tpd from one concentrator plant

LOM:

One year (reserves), three years (reserves + inferred resources)

Production:

10 K FMT (Zn), 7 K FMT (Pb), 2.0 MM oz (Ag)

Mining Operations¹



Cerro de Pasco

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
Production:	2 K FMT (Zn), 1 K FMT (Pb), 0.1 MM Oz (Ag)



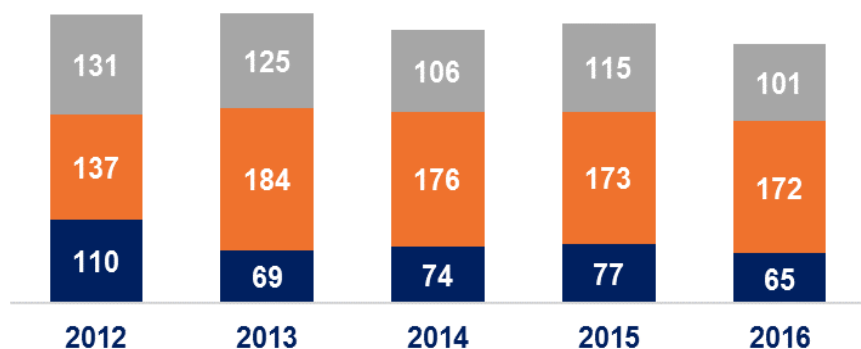
Oxides Plant

Feed:	Stockpiles & in-situ mineral from Raul Rojas Open Pit
Reserves:	12.1 MM MT; 6.25 oz/MT (Ag)
Capacity:	2,500 tpd from one lixiviation plant
LOM:	13 years of reserves, 19 years (reserves + inferred resources)
Production:	4.1 MM Oz (Ag), 3.3 k Oz (Au)

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

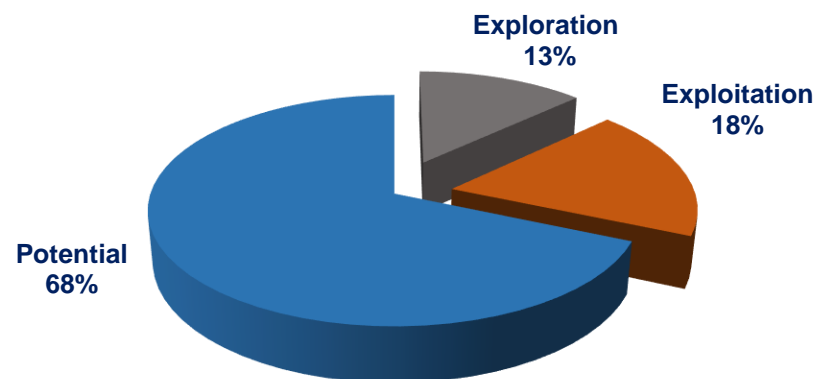
- 8-year LOM (Reserves), 19-year LOM (Reserves + Inferred Resources)
- 9 MM FMT of Zn (Reserves + Resources)
- 798 MM ounces of Ag (Reserves + Resources)

Evolution of Reserves & Resources (MM MT)



■ Inferred Resources ■ Measured & Indicated Resources ■ Reserves

~ 344k Ha. of Mining Concessions

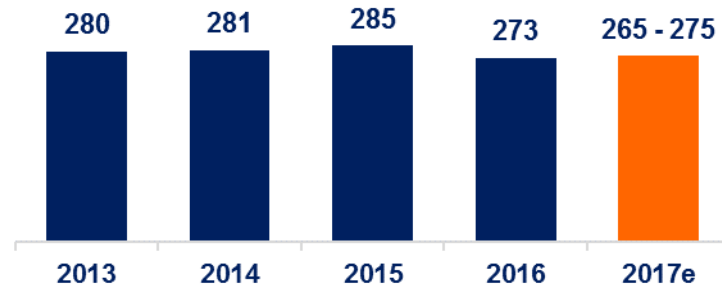


Prices used to calculate R+R 2016: Zn 2,300 USD/MT, Pb 2,100 USD/MT, Cu 5,800 USD/MT, Ag 18 USD/Oz

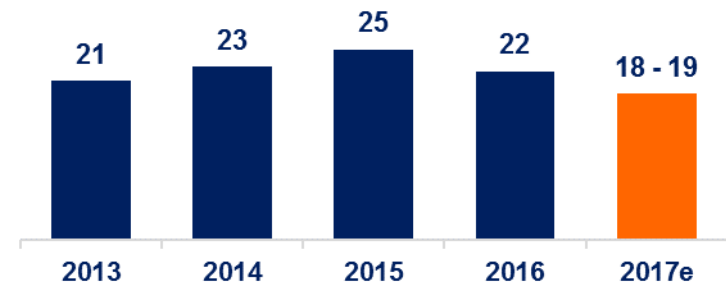
Stable Production with Operating Flexibility

- Silver production now more diversified
- Expansion from new and existing operations compensate suspended production at Cerro de Pasco

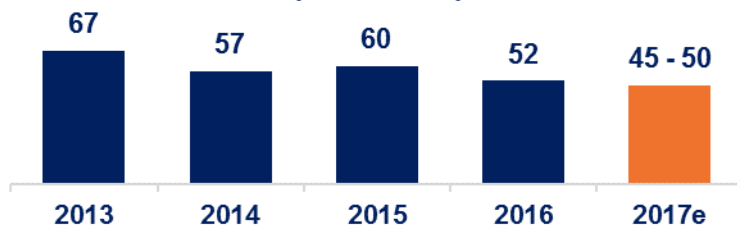
**Zinc Production
(000 TMF)**



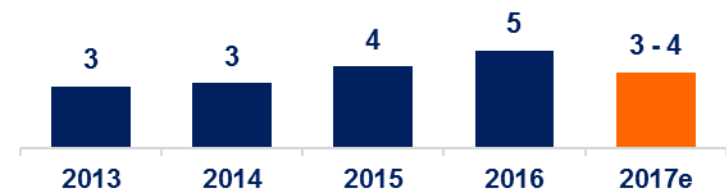
**Silver Production
(MM Oz)**



**Lead Production
(000 FMT)**



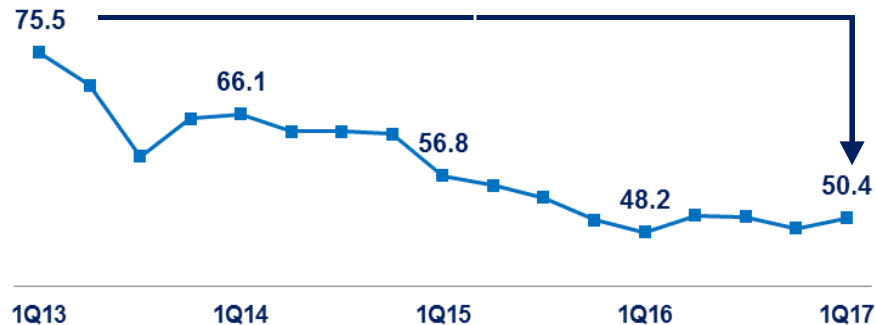
**Copper Production
(000 FMT)**



Operating Cost Restructured & Reduced

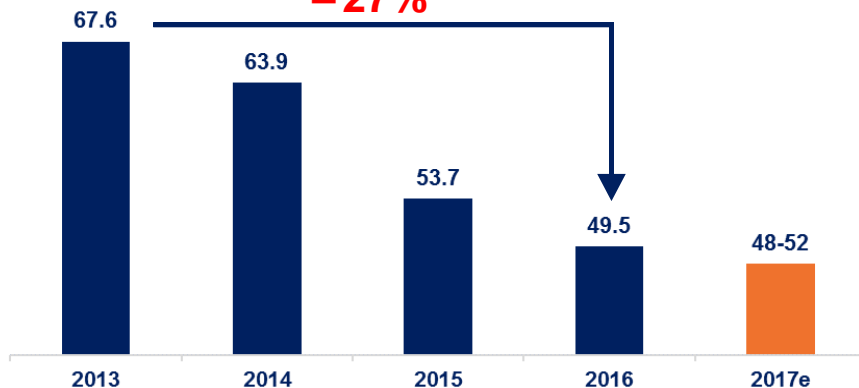
Quarterly Unit Cost (USD/MT)¹

-33%



Annual Unit Cost (USD/MT)¹

-27%



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



33% operating-cost reduction since 1Q13 (75.5 USD/MT)



Stable operating-cost outlook for 2017

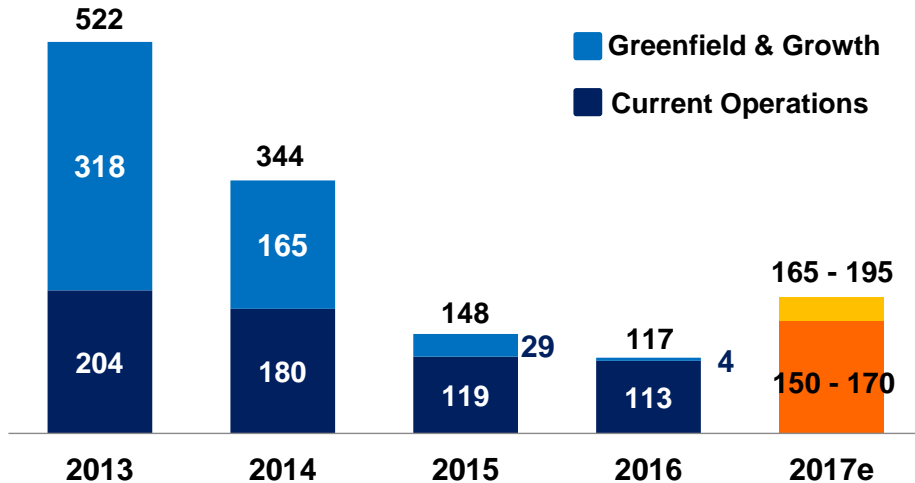
- Optimization of mining methods
- Restructuring of the number, scope and rates of contractors
- Personnel reduction
- Increased efficiencies in mine support & energy usage



Expected additional cost reduction based on infrastructure investments like San Cristobal-Carahuacra and Animon-Islay integration tunnels

Disciplined Capital Investment

Annual Mining CAPEX (USD MM)

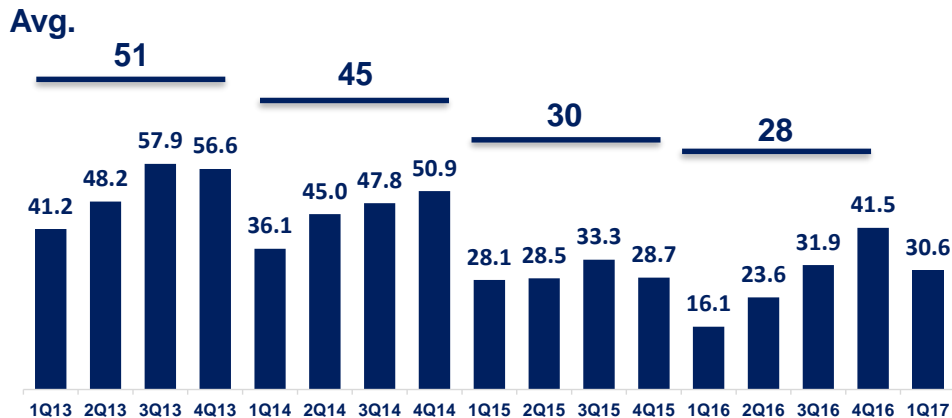


✓ **45% reduction** in operating CAPEX (2013 – 2016) to preserve cash

✓ **90% YOY investment increase** (1Q17 vs. 1Q16) in explorations, mine development & infrastructure

✓ **2017 CAPEX increase** is related to mine development, infrastructure & explorations

Quarterly Current Operations CAPEX (USD MM)



Volcan Growth Exploration DDH (000 Meters)¹

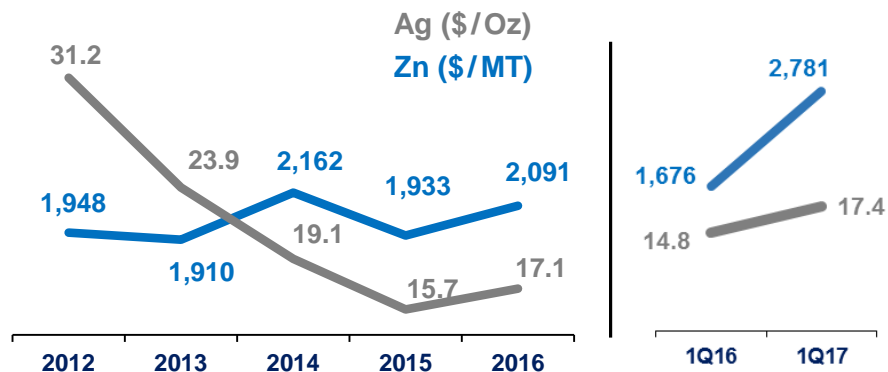
	2016	2017	Var%
Yauli ¹	15	30	93
Chungar ¹	15	37	140
Greenfield	7	44	549
Total	37	110	194

Mining Operations Guidance 2017

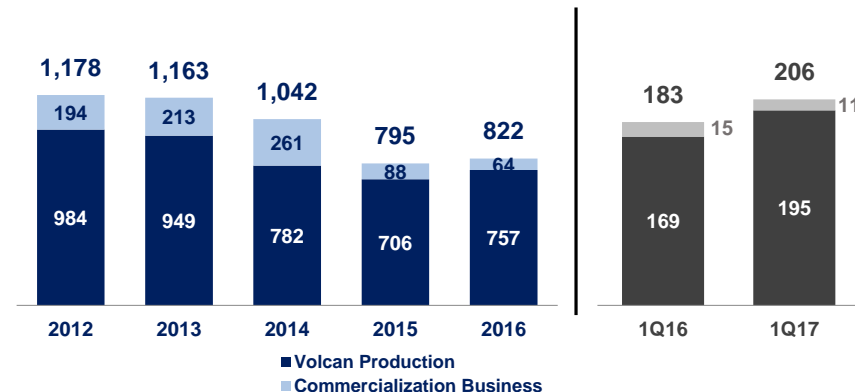
Consolidated Production		2015	2016	Var. %	Estimated 2017
TMT (000)		7,910	7,716	-2.5	7,500 – 8,500
Zinc	(000 FMT)	285	273	-4.1	265 – 275
Lead	(000 FMT)	60	52	-12.4	45 – 50
Copper	(000 FMT)	4	5	20.0	3 – 4
Silver	(MM Oz)	25	22	-11.4	18 – 19
Gold	(000 Oz)	5	6	9.4	4 – 5
Consolidated OPEX		2015	2016	Var. %	Estimated 2017
Unit Cost	(USD/TM)	53.7	49.5	-7.8	48 – 52
Consolidated CAPEX (MM USD)		2015	2016	Var. %	Estimated 2017
Mining Operation		147.6	116.9	-20.8	165 – 195
Operating Capex		118.6	113.1	-4.6	150 – 170
Greenfield & Growth		29.0	3.8	-87.0	15 – 25

Financial Indicators

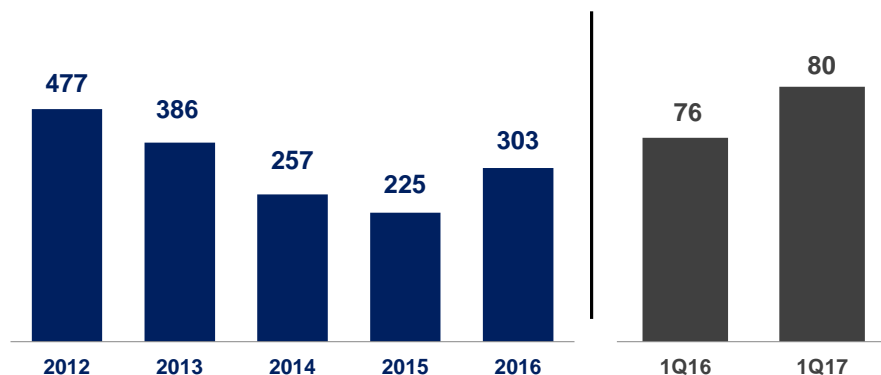
Average Spot Prices (LME)



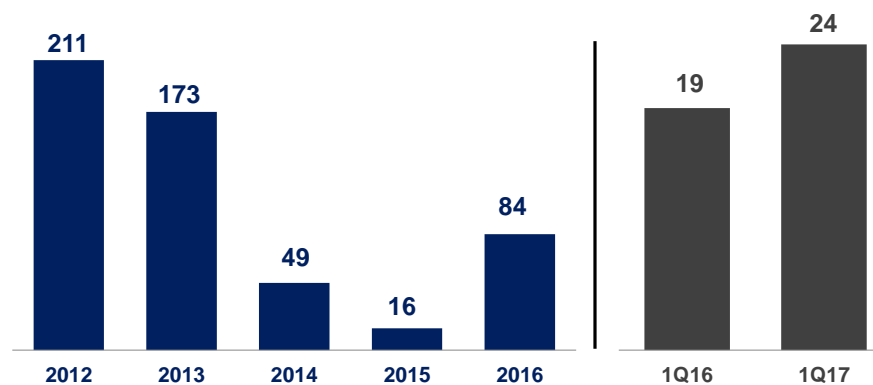
Sales (USD MM)



EBITDA¹ (USD MM)



Net Profit² (USD MM)



14 ¹EBITDA 2016 includes an extraordinary gain of USD 12.9 MM in 1Q16 related to the partial buyback of international bonds issued in 2012

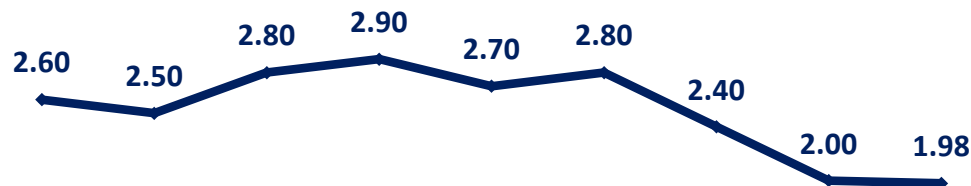
²Net profit 2015 excludes exceptional items, as non-cash impairment of assets, intangibles and inventory. Net profit with exceptionals was USD - 454 MM.



Liquidity & Creditworthiness

- Lower leverage and increasing EBITDA
- Focused on cash generation & balance-sheet strength

Net Debt / EBITDA (USD MM) ¹



	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17
Net Debt	655	660	660	648	631	629	633	610	610
EBITDA	253	263	236	225	237	228	267	303	307

Cash Flow 1Q17 (USD MM)

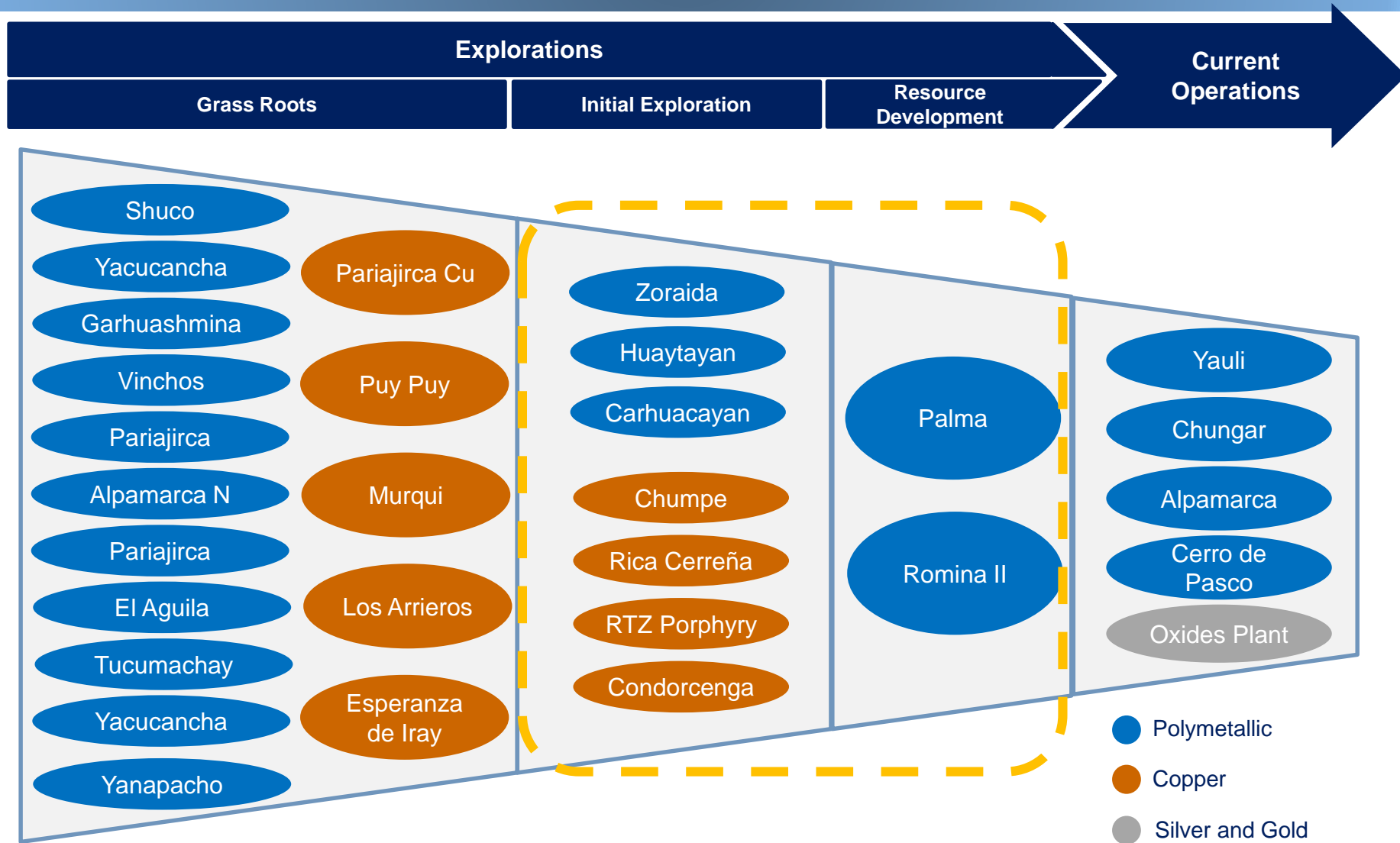
Balance – Dec 2016	203.4
Operating Flow	73.4
Mining Investment	-30.5
Energy Business	+0.9
Other Investments	-1.5
Dividends and Interest	-31.4
Net Financing	-13.8
Balance – Mar 2017	200.5

Growth Strategy

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



World Class Mining Assets



Resource Development: Romina II

- Located 15 km from UEA Alpamarca (6,554 Ha.)
- Polymetallic PIPE & vein mineralizations
- Potential of 15 MM MT (6-7% Zn, 2-3 oz Ag/t)
- Exploration permits approved (DIA)
- Preliminary expected production: 30-35 K FMT (Zn), 12-15 K FMT (Pb), 0.8-1.2 MM Oz (Ag)

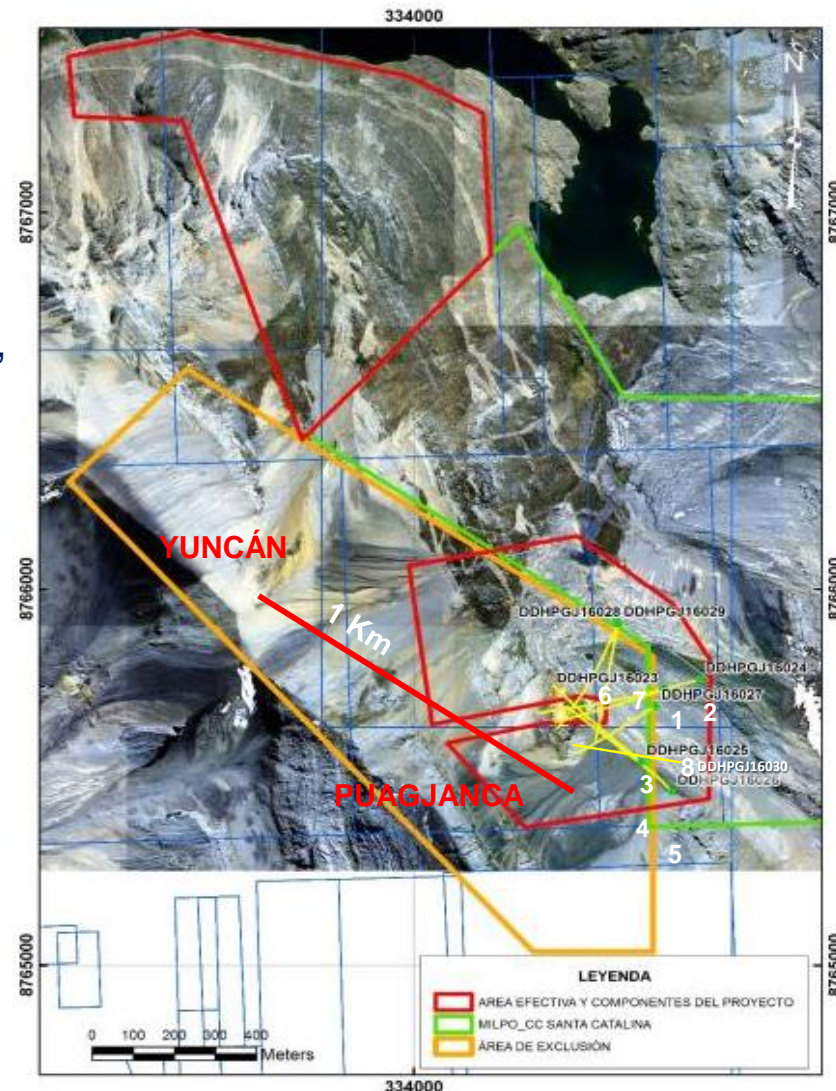
Main Structures

Puagjanca

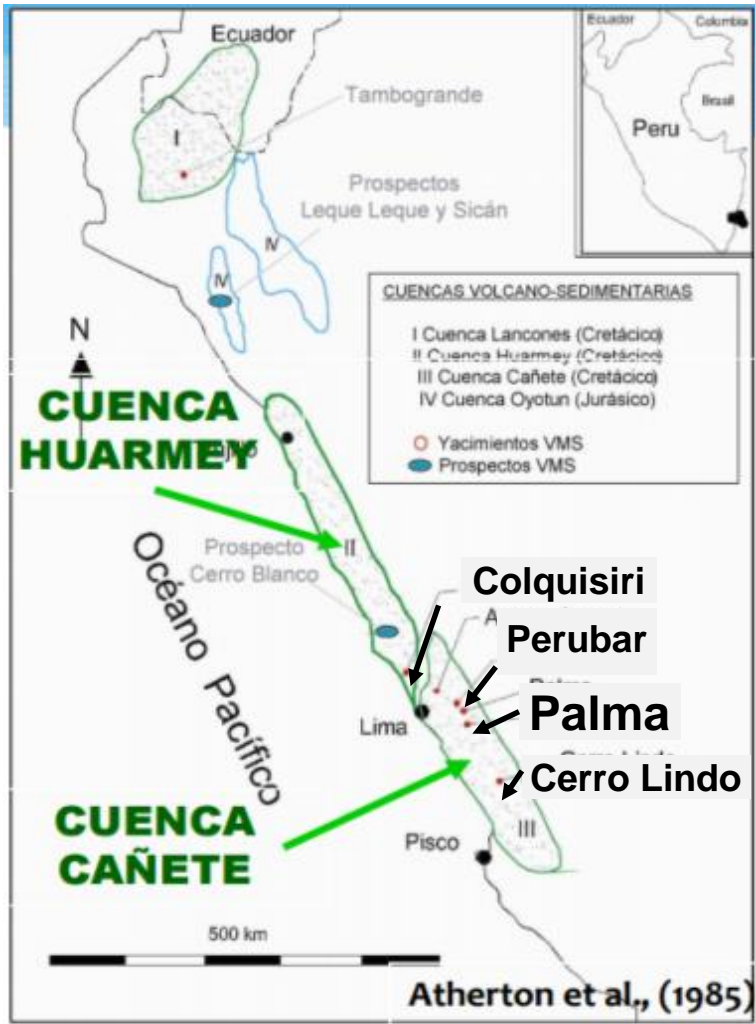
- 14 DDH perforations (5,126 m)
- Successful results cut high-grade polymetallic ore
- Estimated tonnage of 6 MM MT

Yuncán

- Indications of an important mineralized body
- Two perforations cut high-grade zinc ore



Resource Development: Palma



- Located at the basin of the Casma Group, same geotectonic environment as important deposits such as Cerro Lindo, Perubar & Colquisiri
- 4 prospective sectors along a 6 km corridor
- 25,000 m of DDH:
 - Current resources of 5.2 MM TM (7.19% Zn, 1.48% Pb, 1.45 oz Ag/t)
 - Cu presence confirmed
- Environmental Impact Assessment (EIA) modified to build a 1 km exploratory tunnel, expected to begin in 2Q17

Initial Exploration: Polymetallic Projects



Zoraida (Yauli)

- Located 7 km South of Andaychagua
- Potentially Yauli's third mineralized system
- Permits in process for 2,500 m of DDH

Huaytayan (Yauli)

- A 3,000 m drilling program is being executed
- Declaration of Environmental Impact (DIA) approved

Carhuacayan (Alpamarca)

- Located 20 km East of Alpamarca
- 2017 DDH program continuing

Initial Exploration: Copper Projects



Volcan has an important portfolio of copper projects, with characteristics similar to Chinalco's Toromocho mine

During 2017, Volcan will complete initial drilling at four first-class porphyry projects (Cu-Mo & Cu-Au):

1. Chumpe (Yauli): 15 km from Toromocho
2. Condorcenga (Carhuacayan, Alpamarca)
3. RTZ (Carhuacayan, Alpamarca)
4. Rica Cerreña (Cerro de Pasco)

Energy Operations

100+ MW hydroelectric energy portfolio

- Rucuy commercial operations began August 2016
- 40 MW connected to the national grid
- 23 MW connected to the Chungar unit
- Additional 45 MW of development projects

Current infrastructure	Capacity
13 Hydroelectric plants	63 MW
15 Transmission lines	350 Km
26 Electric substations	300 MVA

Volcan Electric Balance	GWh	%
Consumption 2016	635	100
Self generation	323	51

Cost	USD/MWh	Hydroelectric Projects	Capacity
Produced energy	20	Tingo Expansion	15 MW
Purchased energy	75	Chancay 2 plants	30 MW

Rucuy Hydroelectric Plant



Why Invest in Volcan?



- A world-class, low-cost producer
- Diversified among base & precious metals
- Committed to the highest safety & sustainability standards
- Experienced management
- Highly prospective, wholly-owned resource base
- Attractive polymetallic and copper projects portfolio

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	2016
Zinc Concentrates (000 MT)	50	520
Lead Concentrates (000 MT)	6	54.5
Copper Concentrates (000 MT)	-	12.5
Silver (MM Oz)	0.5	22.0

Social Responsibility

Investment is concentrated in the communities in our area of influence in three fields: education, health and economic development



Corporate Alliance

By 2021, Volcan and Enseña Perú will transform the educational reality of the Junín and Pasco regions by placing 20 high-level teachers in the most needy schools



Educational programs

- Scholarships to children of local community members
- Performance Monitoring
- Specialized training (mining, administration and soft skills)



Corporate project, horizon to 2018

Working in cooperation with the NGO Prisma, Volcan's strategic partner in health & economic development

Social Responsibility

- **USD 6MM** invested in the development of the communities in 2016
- Boosting local economies through the contracting of communal enterprises for **USD 22 MM** per year
- Volcan was a **pioneer** in investments under the modality of **public works by taxes (OPI)**
- **S /. 100 MM** invested in OPI under this since 2011



Huayhuay Peasant Community, Junín – Enseña Peru



Opening Ticlacayán School, Pasco
Public Works by Taxes

Yauli Mining Unit

Mines:	Four underground, one open pit
Capacity:	11,000 tpd from three concentrator plants
LOM ¹ :	Seven years of reserves, 16 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

		2013	2014	2015	2016
Treatment	000 TMT	3,743	3,837	3,994	3,657
Zinc	000 FMT	159	158	175	165
Lead	000 FMT	31	22	25	24
Copper	000 FMT	2	2	3	3
Silver	MM Oz	10.8	11.5	12.9	11.6
Unit Cost	USD/MT	66.2	66.1	58.6	60.5
Operating Inv.	USD MM	111	100	63	65

Chungar Mining Unit

Mines:

Two underground

Capacity:

5,500 tpd from one concentrator plant

LOM¹:

Five years of reserves, 12 years reserves + inferred resources



Animon Mine
Chungar

1. Most profitable unit
2. Islay 4: located between Animón and Islay, allowing for the integration of both mines. Important mineralization
3. Systematic exploration of deposits in current operation & brownfield targets

Chungar Consolidated Production

		2013	2014	2015	2016
Treatment	000 TMT	1,827	1,954	1,896	2,016
Zinc	000 FMT	102	104	89	96
Lead	000 FMT	27	25	23	20
Copper	000 FMT	1	1	1	1
Silver	MM Oz	7.0	5.9	4.6	4.1
Unit Cost	USD/MT	56.9	53.6	48.1	50.9
Operating Inv.	USD MM	80	65	41	39

Alpamarca Mining Unit

Mines:	One underground, one open pit
Capacity:	2,500 tpd from one concentrator plant
LOM ¹ :	One year of reserves, three years reserves + inferred resources



1. In operation since 2Q14
2. Costs below projections
3. Significant brownfield & greenfield opportunities:
Romina II, Carhuacayan

Alpamarca Consolidated Production		2014	2015	2016
Treatment	000 TMT	593	879	910
Zinc	000 FMT	6	9	10
Lead	000 FMT	4	6	7
Copper	000 FMT	0	1	1
Silver	MM Oz	2.2	2.7	2.0
Unit Cost	USD/MT	47.6	33.2	23.5
Operating Inv.	USD MM	11.9	5.6	2.4

Oxides Plant

Capacity:	2,500 tpd from one lixiviation plant
Feed:	Stockpiles & in-situ mineral from Raul Rojas Open Pit
LOM ¹ :	13 years of reserves, 19 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	2016
Treatment	000 TMT	239	743	900
Silver	MM Oz	1.1	3.6	4.1
Gold	Oz	651	5,312	3,272
Unit Cost	USD/MT	-	39.1	37.4
Operating Inv.	USD MM	-	9.0	6.9

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
3. Production from low-grade polymetallic stockpiles to begin 2H17

Cerro de Pasco Consolidated Production

		2013	2014	2015	2016
Treatment	000 TMT	840	771	399	233
Zinc	000 FMT	19	13	12	2
Lead	000 FMT	9	6	5	1
Silver	MM Oz	2.9	1.9	1.1	0.1
Unit Cost	USD/MT	96.3	99.6	97.4	16.6
Operating Inv.	USD MM	10.6	1.8	-0.1	0.1

Competitive Operating Cash Cost

Cash Cost ¹	Zinc (USD/MT)		
	2015	2016	var%
Co - Product	1,371	1,375	0.3
By - Product	977	911	-6.7

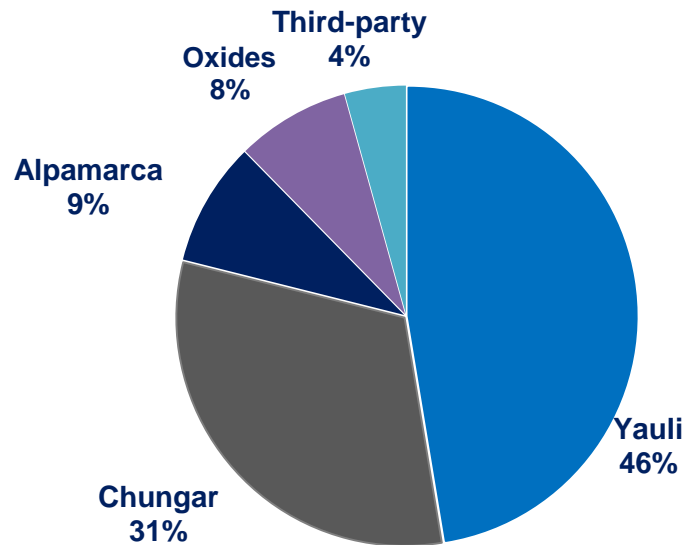
Cash Cost ¹	Silver (USD/Oz)		
	2015	2016	var%
Co - Product	11.2	11.3	1.0
By - Product	4.8	2.6	-46.0

Price	Unit	2015	2016
Zinc	USD/MT	1,933	2,091
Silver	USD/Oz	15.7	17.1

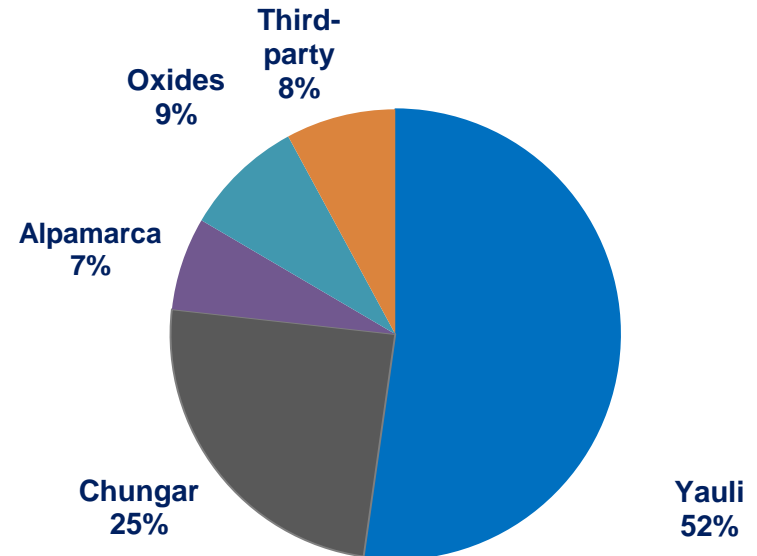
Source: Average LME spot price

Sales Breakdown by Origin

1Q17



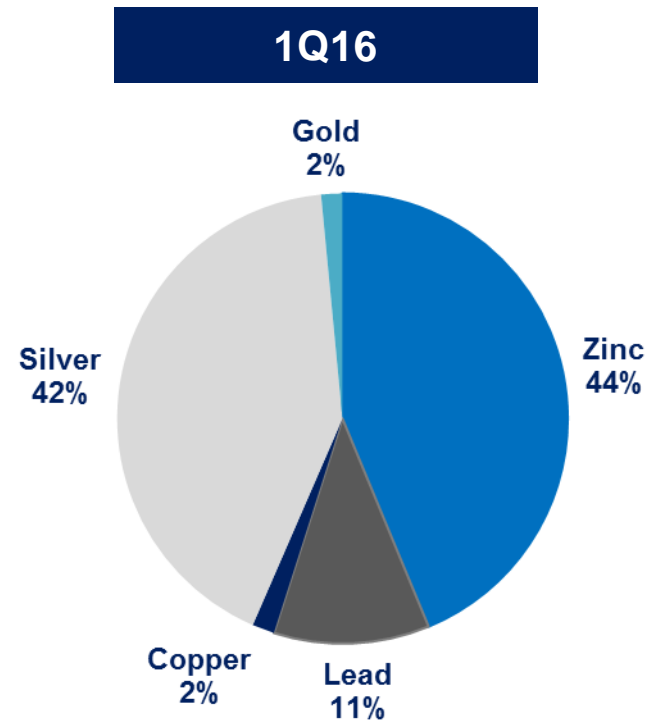
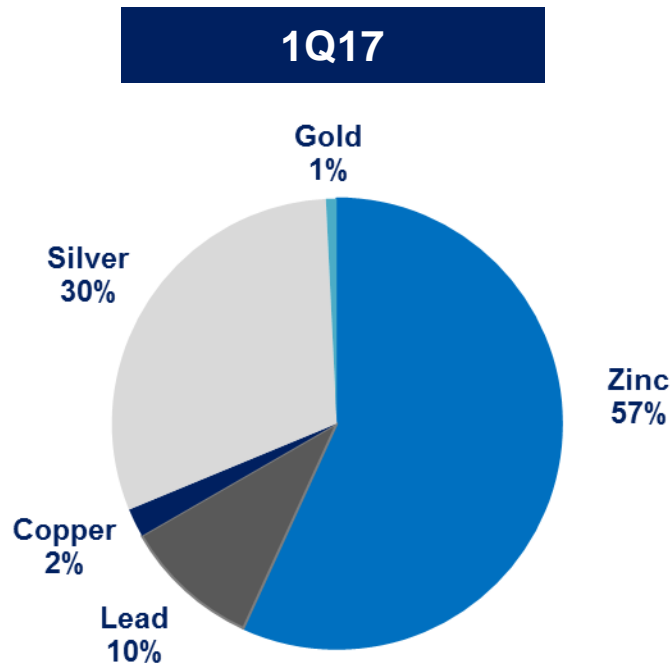
1Q16



Source: Volcan Cia. Minera

- The distribution of sales by origin reflects a decline in the contribution of third-party concentrates in total sales, from 8% in 1Q16 to 4% in 1Q17

Sales Breakdown by Metal



Source: Volcan Cia. Minera

- Zinc contribution is expected to increase due price outlook

Bonds and Credit Ratings

International Bond Emission

- ✓ USD 600 MM issued February 2012
(USD 535 MM currently outstanding)
- ✓ Rate: 5.375% maturing February 2022
- ✓ Demand: USD 4.8 B

Credit Ratings

FitchRatings **BBB-**

MOODY'S **Ba3**

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. 8,800 shareholders

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

AFP Habitat
AFP Integra
Arca Trading Limited
Arte Express y Compañía
Ashmore Group
Blackrock Global Funds
Caja Municipal Trujillo

Credicorp Capital
Eaton Vance
FSRyC de la Marina
Global X Silver Miners ETF
Inteligo
Ishares MSCI All Peru Capped (EPU)
La Positiva

Mercury Asset Management
Pacífico Seguros
Prima AFP
Profuturo AFP
Sura
Vanguard Group





Thanks!