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ANNUAL REPORT



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"This document contains accurate and sufficient information about Volcan Compañía Minera S.A.'s business activities in 2015. Regardless of the issuer's liability, the undersigned are responsible for the content herein, in accordance with applicable laws."

José Picasso Salinas

Chairman of the Board

Juan Ignacio Rosado Gómez de la Torre

Chief Executive Officer



Lacsacocha Lagoon

DISCLAIMER



Chungar



1. LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS

In 2015, the global economy faced a very difficult year for several reasons, first among them being the decrease by 47% in average oil prices as compared to the previous year, the uncertain monetary policies of the US, the economic deceleration in China and other emerging countries, and the complicated situation in European countries and Japan. Moreover, several stock markets saw high volatility and financial turbulence, and most of them suffered significant setbacks.

The Latin American economy decelerated even further, due to external factors and political issues in each country.

In Peru, GDP grew a mere 3.3% due to lower international metal prices and the reduction seen in the construction sector and internal consumption. Sol depreciation against the dollar was 14%, closing at PEN 3.41/USD. Inflation during 2015 reached 4.13%, exceeding the target rate of 1%-3% established by the Central Reserve Bank of Peru. It is important to note that private investment decreased significantly in 2015 due to lower expectations by the business sector and the upcoming presidential elections.

In October 2015, the World Bank and International Monetary Fund annual meeting was held in Lima, with the participation of authorities, bankers and investors from all continents.

Regarding the mining industry, significant events included the start of operations of Toromocho, Constancia and Las Bambas, and the expansions of Cerro Verde and Antamina, which will play an important role in the growth of copper production in Peru.

In this complicated international situation, the labor, environmental, and occupational health and safety laws implemented by the government have led to cost overruns for local mining companies and increased setbacks in their investments. Additionally, social conflicts and the lack of political decisions mean it has not been possible to free up important mining projects, such as Tía María, Quellaveco, the expansions of Toquepala and Cuajone concentrators plants, and several projects in the north of the country as Conga, Río Blanco, Galeno, Michiquillay, La Granja, among others, had it been possible to develop these projects on time, they would have reduced the impact of reduced government revenue from mining, which resulted from the fall in metal prices.

As we said years ago, we are responsible for promoting the development of the country, windows of opportunity don't open every day, and we must remember that we compete to attract new investments that ultimately go to the countries offering the best conditions. We have already fallen several places in the annual Fraser Institute ranking of countries attractive for mining, and we have seen how neighboring countries that have not traditionally focused on mining, such as Ecuador, Colombia and Argentina, are beginning to improve their positioning with regard to attracting investors to take advantage of their mining potential.

In 2015, Volcan faced one of the most challenging international situations that have affected the mining industry in recent years. The deceleration of growth in China and the change in its development strategy, which had a negative impact on demand for basic metals, the uncertainty created by the

delay in the decision to increase the prime rate of the U.S. Federal Reserve, investors' scant interest in the commodities markets and other factors led to a significant decrease in the prices of all metals, which fell to low levels at the end of the period.

As a consequence, the price of silver closed 2015 at 13.82 USD/ounce, 13.5% below the 2014 closing price of 15.97 USD/ounce. The price of zinc fell 26.2% from 2,167 USD/MT at the close of 2014 to 1,600 USD/MT at the end of 2015. Similarly, the price of lead closed 2015 at 1,802 USD/TM, declining by 2.8%, copper price closed at 4,702 USD/TM, decreasing by 26.1%, and gold closed at 1,062 USD/ounce, falling by 11.4%. This fall in metal prices provoked a general crisis in the mining industry and we have witnessed a sharp fall in share and bond prices in most mining companies both in Peru and around the world. Several companies decided to reduce or partially suspend their operations and some of them have had very serious financial problems and have had to sell assets and/or increase their capital. Such low price levels have meant poor financial results for mining companies and the need to record impairments in their accounts, in accordance with International Accounting Standards (IAS 36).

In the midst of these difficulties, Volcan obtained satisfactory operating results. The Company maintained its position as the leading Peruvian producer, producing 285 thousand fine tons of zinc, 24.8 million ounces of silver, and 60 thousand fine tons of lead, representing an increase of 1.5%, 10.2% and 4.6%, respectively, compared to 2014. These increases are mainly thanks to the start-up of commercial operations of the silver oxide plant at Cerro de Pasco in June 2015, which entailed investment of more than USD 300 million, the increase in production from the Yauli unit and the consolidation of the Alpamarca unit.

It is worth noting that drastic cost reduction measures were taken throughout the Company, allowing a significant production cost reduction that mitigated the impact of the fall of metal prices. The unit cost in 4Q15 was 50 USD/MT, 21% lower than the 63.1 USD/MT of 4Q14. This decrease is the result of our implementation over the last three years of our continuous improvement system as an integral part of operational management. This system has enabled us to generate structured initiatives to optimize our mining methods, review the scope and number of contractors, decrease consumption of our main supplies, make more efficient use of energy and other improvements.

Meanwhile, in an adverse environment characterized by low prices, the Company rationalized investments so as to preserve Volcan's cash flow. Investment in our operating units was down 34%, from USD 180 million in 2014 to USD 119 million in 2015; without having any major effect on the operational continuity of those units. In total, Volcan invested USD 174 million in 2015, 53% less than the USD 368 million invested in 2014, which included investments in the Alpamarca projects and the Oxides Plant.

Volcan's sales in 2015 totaled USD 795 million, 24% less than the previous year, because of the lower metal prices, the decreased volume of third-party concentrate sales and the negative final settlements of USD 37.5 million. However the Company's gross margin at 17% was similar to that for last year, thanks to the significant reduction in production costs. As a consequence, EBITDA reached USD 225 million and net profit prior to exceptional charges was USD 16 million.

Because of the difficult situation with regard to prices, in line with international accounting standards (IAS 36), in 4Q15 the Company

recorded a one-off, exceptional charge related to the impairment of intangible fixed assets and inventories at its operating units. This impairment and other exceptional accounting adjustments had a net effect after tax of USD -470.1 million. It should be emphasized that these exceptional charges had no effect on the Company's cash flow. Furthermore, the impairment of intangible fixed assets and inventories at the operating units could be reversed in the future should there be a significant increase in metal prices.

Volcan's total reserves increased from 74 million tons as of December 31, 2014 to 77 million tons as of December 31, 2015. Yauli's reserves grew 9%, from 31.7 million tons to 34.6 million tons, while Chungar's reserves increased by 40%, from 8 million tons to 11.3 million tons.

Nevertheless, it is important to mention that the Company has maintained its vision of long-term growth despite the complicated international environment. In 2015 the Company continued with the systematic exploration programs in our operating units with the aim of realizing the potential and increasing the mineral resources of our largest mines. These programs, which began in the second half of 2014, have enabled Yauli's inferred resources to increase by 10% and those of Chungar by 33%, confirming the tremendous potential of these operating units and laying the foundations for their future expansion.

Regarding occupational safety, the number of accidents in our mining operations have been reduced in recent years thanks to the efforts to consolidate the safety management system and safety culture mindset throughout the Company.

With regard to the energy sector, in 2015 Volcan continued building the Rucuy 20 MW hydroelectric plant in the Chancay-Huaral river basin. The

project was 80% complete at the close of 2015 and is expected to be finished in 2Q16, with a total investment estimated to be USD 48 million. When this comes into operation, the Company will have 13 hydroelectric plants with the capacity to generate 63 MW. Volcan's total power consumption in 2015 was 654 GWh, with a maximum demand of 88 MW. Currently, the Company is also continuing to study the expansion of the Tingo hydroelectric plant (10 MW) and the construction of the Chancay II plant (30 MW).

With regard to corporate social responsibility and environmental care, Volcan continued to focus on establishing relations of mutual trust and respect with the populations in our areas of influence and in other regions that are of strategic importance to our operation. The Company is well aware of the importance of mining companies in the development of our nation and its people, particularly in remote areas. It is important to remember that Volcan is a pioneer in executing the Public Works and Tax Credit program, developing and/or awarding 14 projects valued at more than PEN 107 million.

In 2015 we made progress with the restructuring of the Company with the objective of simplifying administrative management and generating operating synergies. The companies El Pilar, Huascarán, Santa Clara, Shalca and Recursos Troy were absorbed by Empresa Administradora Chungar S.A.C. The company Óxidos de Pasco S.A.C. was spun off from Empresa Administradora Cerro S.A.C., and there was a merger through absorption of Empresa Administradora Chungar S.A.C. by Compañía Minera Alpamarca S.A.C.

I'd like to take this opportunity to thank on behalf of the Board to all our employees for their hard work, dedication and commitment to the Company's objectives.

Finally, I would like to thank you, our shareholders, for your trust, support and interest in Volcan's activities and achievements.

Sincerely,

A handwritten signature in black ink, appearing to read 'Picasso', with a large, stylized flourish extending from the end.

José Picasso Salinas

Chairman of the Board



Huacracocho Lagoon - Yauli



2. MACROECONOMIC ENVIRONMENT

INTERNATIONAL OUTLOOK

In 2015 the global economy grew more slowly than in 2014 (3.1% vs. 3.3%). This lower rate is explained by the deceleration in emerging countries and is despite the recovery of the Eurozone and Japan and the relatively greater growth in the United States.

The stock markets were volatile in 2015 because of the financial markets' ongoing anticipation of

the timing of the increase in the Federal Reserve's interest rate, which finally happened in December. The stock markets in developed countries showed mixed results while those in Latin America recorded losses because of the decreased growth prospects of their economies¹.

PERUVIAN ECONOMY

In 2015, Peru's gross domestic product (GDP) grew 3.3%, which is higher than the 2014 rate of 2.4%, but lower than the average recorded between 2010 and 2013. The increased growth is mainly due to private sector inventory accumulation, partially offset by the decrease in investment by the public sector and, to a lesser degree, by the private sector.

The nation's current balance of payments had a deficit equivalent to 4.4% of GDP, similar to that of previous years, as a result of the fall in metal prices and the worsening exchange rates. This deficit, along with the consolidation of the US economy's growth, provoked a 14% depreciation of the Sol, which closed 2015 at 3.41 PEN/USD.

Inflation in Metropolitan Lima ended the year at 4.13%, this being the second year that it was higher than the target range of Peru's Central Bank (between 1.0% and 3.0%). This result reflected a rise in food and beverage prices and electricity.

In particular, the GDP of the mining and hydrocarbons sector rose 9.3%, mainly due to increased metal mining activity (15.5%), linked to increased production of copper (25.8%), zinc (8.1%), silver (8.9%) and lead (13.9%).

¹ In developed markets: the DAX in Germany (+9.6%), the Nikkei 225 in Japan (+9.1%), the CAC 40 in France (+8.5%), the S&P 500 of the USA (-0.7%), the FTSE 100 of the United Kingdom (-4.9%) and the IBEX 35 of Spain (-7.2%); and in Latin American markets: the S&P/BVL Peru General (-33.4%), the COLCAP in Colombia (-23.8%), the IPSA of Chile (-4.4%) and the BOVESPA in Brazil (-13.3%)

METAL PRICES

2015 saw significant volatility but with a negative trend that was consolidated in the second half year. The markets' concern about China, which began in 2014, decreased in the first half of 2015, stimulating an increase in industrial metal prices. Thus zinc broke the barrier of 2,400 USD/MT for a few days in May because of the anticipation of production cuts during the year. However, concern about Chinese demand and the overcapacity of

certain raw materials grew at an alarming rate and led the prices of zinc, copper, iron, oil and other materials to plummet. Zinc therefore closed the year at 1,600 USD/MT, having fallen below 1,500 USD/MT during December.

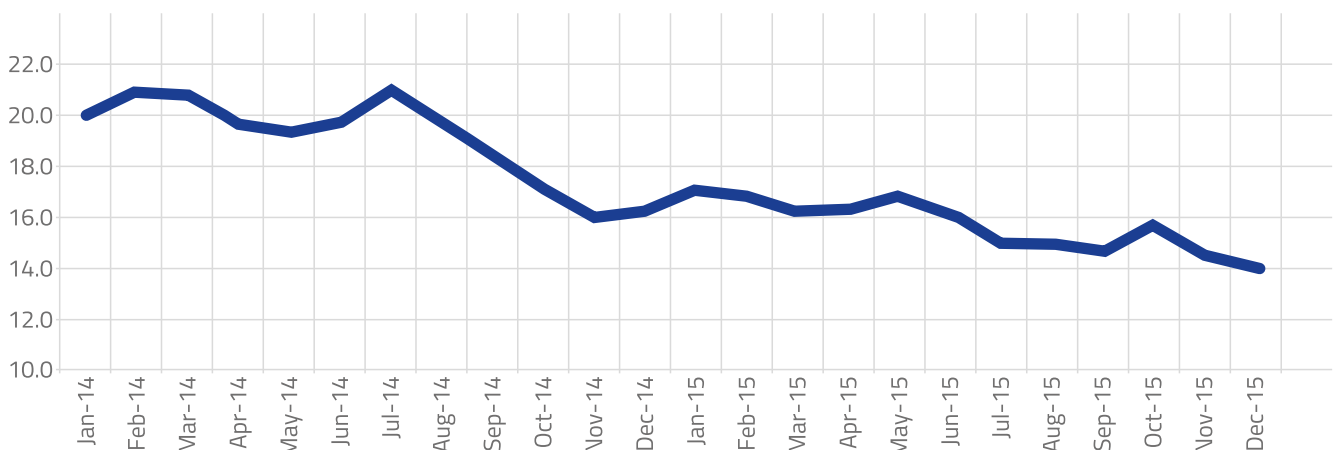
EVOLUTION OF AVERAGE METALS PRICES

Metal Prices	2010	2011	2012	2013	2014	2015
Zinc (USD/MT)	2,168	2,193	1,948	1,910	2,162	1,933
Lead (USD/MT)	2,141	2,402	2,062	2,142	2,096	1,786
Copper (USD/MT)	7,535	8,821	7,958	7,326	6,860	5,502
Silver (USD/oz)	20.2	35.1	31.2	23.9	19.1	15.7

Precious metal prices were not exempted from this trend and also closed with the lowest values of recent years. While silver did not experience a price spike like zinc, its price was stable until May, and then it began to fall with the other metals. This decline intensified once the market assimilated the imminent interest rate increase in the USA. Although the market absorbed this item little by little, when the announcement was

made, silver prices fell yet further and then stabilized at around 14 USD/ounce, closing the year at 14.2 USD/ounce. It is worth highlighting that the price of silver fell to a low of 13.6 USD/ounce in December.

SILVER PRICE (US\$ / OZ)





Victoria Plant - Yauli



3. OUR COMPANY

HISTORY

In 2015, Volcan celebrated 72 years since it started operations in 1943 in the upper Ticlio pass. Through the continuous hard work and dedication of its directors and employees, Volcan is the leading producer of silver, zinc and lead in Peru. In addition, Volcan is among the 10 largest zinc, lead, and silver producers in the world.

Initially, Volcan's operations included the Carahuacra and Ticlio mines that were part of a group of 30 mining concessions. The ore extracted was sold to the Mahr Túnel concentrator plant, owned at the time by U.S. investment company Cerro de Pasco Copper Corporation. However, the Cerro de Pasco Copper Corporation was expropriated by the military government in the early 1970s.

In the 1990s, in a context of economic reforms implemented by the government at the time and aimed at stimulating private investment in public companies, Volcan began expanding its operations through the acquisition of mining areas and their respective assets. The vision of the Board of Directors and the leadership of Dr. Roberto Letts were fundamental to the Company's growth.

In an international public auction in 1997 Volcan Compañía Minera S.A. acquired the Mahr Túnel, San Cristóbal and Andaychagua mining operations and the Mahr Túnel and Andaychagua plants through its purchase of Empresa Minera Mahr Túnel S.A., which at the time belonged to Centromin Peru. The acquisition was valued at USD 128 million plus an investment commitment of USD 60 million that was fulfilled in the third year. One year later, Empresa Minera Mahr Túnel S.A. merged with Volcan Compañía Minera S.A., creating Volcan Compañía Minera S.A.A.

Subsequently, in 1999 Volcan acquired Empresa Minera Paragsha S.A.C. from Centromin Peru in an international public auction for USD 62 million plus an investment commitment of USD 70 million. In addition, Volcan agreed to take on USD 20 million of Centromin's financial debt. This transaction included the Cerro de Pasco unit. As a result of this acquisition, Volcan became the largest zinc producer in Peru.

In 2000, Volcan acquired Empresa Administradora Chungar S.A.C. and Empresa Explotadora de Vinchos Ltda. S.A.C., owners of the Animón and Vinchos mines, respectively, in transactions with a total value of USD 20 million in cash and USD 16 million in Volcan Class B shares. This acquisition included the Françoise and San José II hydroelectric plants, with total generation capacity of 2.2 MW. Operations began at the Vinchos silver mine in 2004.

Volcan also acquired the Baños I, II, III and IV and Chicrín hydroelectric plants, with a combined capacity of 7.5 MW.

In 2006, Volcan acquired Minera Santa Clara and Llacsacocha S.A., owner of the Zoraida Mine. One year later, Volcan bought Compañía Minera El Pilar, owner of El Pilar Mine, adjacent to Cerro de Pasco Mine and pit.

In 2009, Empresa Administradora Chungar S.A.C. expanded the Baños IV hydroelectric plant, giving Volcan a total of 13 MW of installed capacity.

Then, in 2010 Volcan acquired Compañía Minera San Sebastián, whose mining concessions are also located near Cerro de Pasco.

In 2011, the shareholders of Volcan Compañía Minera S.A.A. approved a simple reorganization of

the Cerro de Pasco mining unit. As a result, that unit was renamed Empresa Administradora Cerro S.A.C. and it became a subsidiary of Volcan Compañía Minera S.A.A. The purpose of the reorganization was to allow each mine unit to independently manage improvements in their operating results through cost reduction and growth.

Subsequently, in January 2012, as part of an international bond issue under Rule 144A and Regulation S of the United States Securities Act of 1933, Volcan placed 10-year corporate bonds totaling USD 600 million at a fixed rate of 5.375%. This bond issue provided financing for future growth projects such as the oxide plant at Cerro de Pasco and the new Alpamarca operating unit.

In February 2012, Volcan bought Empresa Hidroeléctrica Huanchor S.A.C., with a capacity of 19.6 MW, from Sociedad Minera Corona S.A. for USD 47 million. Also that year, Empresa Administradora Chungar S.A.C. completed construction and started up operation of the Baños V hydroelectric plant. The 9.2-MW plant required a total investment of USD 24 million. Volcan's total hydroelectric generation capacity now stands at 43 MW.

In 2013, the Islay Mine was consolidated into the Chungar operating unit through acquisition of two nearby mining concessions for USD 17 million. Earlier that year the Company completed expansion of the Animón concentrator plant, also part of the Chungar unit, from 4,200 to 5,200 tpd (tons per day). Also in 2013, the Company finished expanding the Victoria and Andaychagua plants in the Yauli unit, increasing that unit's total treatment capacity by 9% to 10,500 tpd.

In 2014, Volcan continued expanding the treatment capacity of Yauli unit plants to reach 10,800 tpd. Also, operations began in the Jacob Timmers shaft

(Chungar unit), with a nominal capacity of 4,000 tpd.

In July 2014, Volcan acquired the 1.25 MW Tingo hydroelectric plant and 82 km of 22.9 kV and 50 kV transmission lines, for a total of USD 13.5 million. The Company plans to expand this plant to a minimum of 10 MW and connect it to the Alpamarca unit.

In 2014, the company started operations at the new Alpamarca unit and the Cerro de Pasco oxide plant, which reached full capacity in June 2015. Investment totaled USD 280 million². Between them, they produced 3.3 million ounces of silver in 2014 and 6.3 million ounces in 2015.

It is important to note that during 2015 construction work continued on the Rucuy 20 MW hydroelectric plant (140 GWh/year). Execution of the civil works and electromechanical assembly were 80% complete. This project is expected to begin operations in the second quarter of 2016 and has entailed investment totaling USD 48 million.

Reorganization of the following companies was approved: the merger in which Chungar absorbed the equity of El Pilar, Huascarán, Santa Clara, Shalca and Troy, which took effect on September 1, 2015; the splitting from Empresa Administradora Cerro S.A.C. of a block of equity composed of assets and liabilities related to the oxide plant, which took effect on October 1, 2015; and the merger in which Compañía Minera Alpamarca S.A.C. absorbed Empresa Administradora Chungar S.A.C., which took effect on January 1, 2016³.

As a result, 72 years after its founding Volcan has more than 323 thousand hectares of mining concessions, 12 mines, 7 concentrator plants and a lixiviation plant, and is a truly diversified, international leader in zinc, lead and silver production.

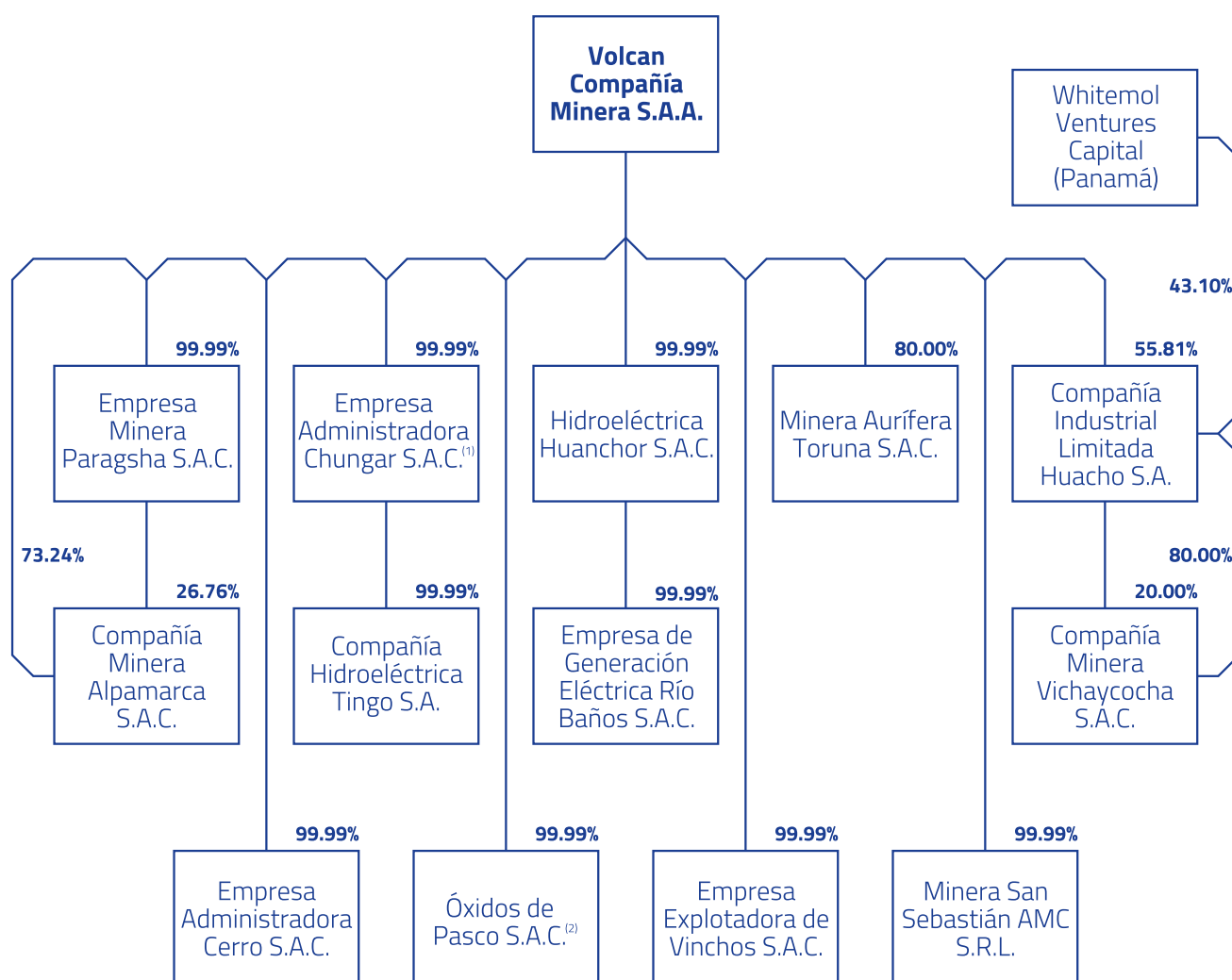
² This does not include USD 33 million in pre-operating costs that were capitalized prior to commercial production in June 2015

³ Compañía Minera Alpamarca S.A.C. changed its company name to Compañía Minera Chungar S.A.C.

Carahuacra Mine - Yauli



CORPORATE STRUCTURE

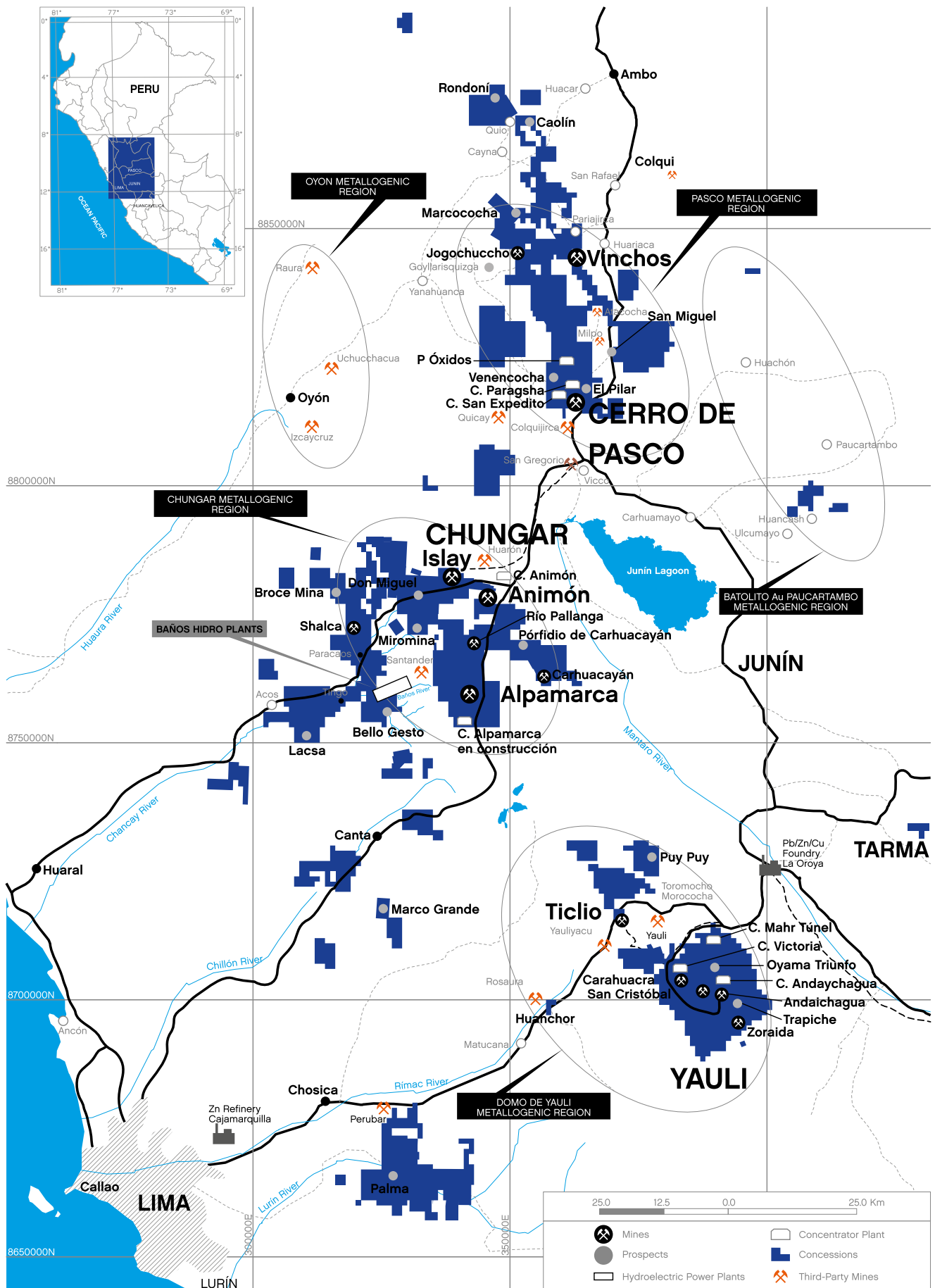


⁽¹⁾The merger in which Chungar absorbed the equity of El Pilar, Huascarán, Santa Clara, Shalca and Troy took effect on September 1, 2015.

⁽²⁾The splitting from Empresa Administradora Cerro S.A.C. of a block of equity composed of assets and liabilities related to the oxide plant, took effect on October 1, 2015.

Pumping station - San Cristóbal Mine







Shegue Lagoon



4. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

BOARD OF DIRECTORS AS OF DECEMBER 31, 2015

José Picasso Salinas **Chairman**

Director and member of the Executive Committee since March 1996. Vice chairman of the Board of Directors; since April 2010, chairman of the Board and the Executive Committee.

Mr. Picasso is also chairman of the Board of Reactivos Nacionales S.A., vice chairman of the Board of Compañía Minera Poderosa and a member of the following boards: Bodegas Vista Alegre and Cemento Polpaico S.A. He previously served as vice chairman of Embotelladora Latinoamericana S.A.A. (Coca-Cola) and a member of the boards of Compañía Minera Atachocha S.A., EXSA, S.A., Castrovirreyna Compañía Minera, Compañía Molinera Del Peru, Compañía de Seguros La Fénix Peruana S.A., Bolsa de Valores de Lima and Acción Comunitaria.

José Ignacio de Romaña Letts **Vice Chairman**

Member of the Board of Directors since 1993 and vice chairman of the Board since September 2014. He is a member of the Executive Committee. Mr. de Romaña worked in the sales division of Compañía de Minas Buenaventura from 1992 to 1999 and was the head of Volcan's sales division from 2000 to 2010. He also served as a member of the boards of Castrovirreyna Compañía Minera S.A. and Corporación Minera Castrovirreyna from 2002 to 2012.

Mr. de Romaña holds a business administration degree from Universidad del Pacífico.

Mr. José Ignacio de Romaña Letts is the son of the director Irene Letts Colmenares de de Romaña.

José Bayly Letts **Director**

Director since March 2012. A businessman, Mr. Bayly has served as director and CEO of Agropecuaria del Sur S.A. since 2004. He has also been a director of Agrobay S.A. since 1999.

Mr. Bayly studied business administration at Universidad del Pacífico. He completed the Senior Management Program and the Corporate Governance Program for Company Directors at Universidad de Piura.

Christopher Eskdale **Director**

Director since March 2012. A certified public accountant, he worked at Deloitte & Touche in London and Moscow and has been with Glencore since 1996.

Mr. Eskdale holds a master's degree from Oxford University and is a public accountant certified by the Institute of Chartered Accountants in England and Wales. He is in charge of worldwide zinc marketing for Glencore.

Irene Letts Colmenares de de Romaña **Director**

Director since March 2012. She has also served on the boards of Ferrocarril Central Andino S.A. and Ferrovías Central Andina S.A. since 2004, on the boards of Proyectos Médicos and Clínica Montesur since 2002, and the board of Nueva Ginecología y Vida S.A.C. at Jockey Salud since 2007.

Mrs. Letts studied social work at Universidad Nacional Mayor de San Marcos and economics at Universidad de Lima.

Mrs. Irene Letts Colmenares de de Romaña is the mother of vice chairman Jose Ignacio de Romaña.

Daniel Maté Badenes
Director

Director since March 2006. He has served as co-director of the zinc, lead, and copper divisions at Glencore International since February 2000, overseeing marketing and industrial assets, including strategy and operations. Mr. Maté has worked at Glencore since 1988, starting at the office in Madrid and later obtaining experience in metals transactions and logistics in Spain and North Africa. After three years at Glencore's Madrid office, he joined the zinc and lead department in Switzerland in August 1991. In February 2002, he transferred to the copper department, where he was responsible for zinc concentrate operations in Spain, North Africa and South America. He was subsequently placed in charge of worldwide zinc marketing for Glencore.

Mr. Maté is an economist and has a law degree from Universidad de Deusto in Spain.

Pablo Moreyra Almenara
Director

Independent director since 2011. He is a founding partner of EQUBO, Estrategía y Finanzas, a business consultancy, and served on the boards of EsSalud, Procapitales and BBVA Continental Bolsa. Previously, Mr. Moreyra was a private equity fund manager at Enfoca Inversiones. He has been a senior executive of Grupo BBVA in Peru, occupying various positions including investment manager of AFP Horizonte, CEO of BBVA Continental Fondos Mutuos, and financial planning manager of BBVA Banco Continental. He was also a member of the Board and chief analyst at ING Barings (Peru).

Mr. Moreyra holds a degree in economics and an MBA from Universidad del Pacífico. He studied capital markets, corporate finance, and other management topics at various institutions such as Harvard Business School, IESE and the University of Texas at Austin. In addition, he completed the Corporate Governance Program for Independent Directors organized by Universidad de Piura, Ernst & Young, and Universidad del Pacífico.

Felipe Osterling Letts
Director

Director since September 2014. He holds a degree in economics from Universidad del Pacífico in Lima, an MBA from Henley Management College in the United Kingdom and a master's degree in corporate management from the School of Management at Universidad de Piura.

Felipe Osterling Letts is the brother of Madeleine Osterling Letts, a member of the Board of Directors.

Madeleine Osterling Letts
Director

Director since March 2012. A partner at the law firm Estudio Osterling S.C., she served as vice chairman of legal affairs at BellSouth Perú S.A. and Telefónica Móviles S.A. until December 2011. She is a member of the Rocky Mountain Mineral Law Foundation and teaches contract law at Universidad Peruana de Ciencias Aplicadas.

Ms. Osterling earned a law degree from Pontificia Universidad Católica del Perú, specializing in mining and environmental law. She also holds a master's degree in corporate management from the School of Management at Universidad de Piura.

Madeleine Osterling Letts is the sister of Felipe Osterling Letts, a member of the Board of Directors.

SENIOR MANAGEMENT

SENIOR MANAGEMENT AS OF DECEMBER 31, 2015

Names and Last Names	Position
Juan Ignacio Rosado Gómez de la Torre	Chief executive officer
Roberto Fernando Maldonado Astorga	Chief operations officer
José Edmundo Montoya Stahl	Chief business development officer
Jorge Murillo Núñez	Chief finance manager
Paolo Ivan Cabrejos Martin	Sales manager
Alberto Víctor Manuel Gazzo Baca	Human resources manager
Roberto Juan Servat Pereira de Sousa	Corporate social responsibility and labor relations manager
Renzo Muenta Barzotti	Employee development manager
Mario Eduardo de las Casas Vizquerra	Logistics manager
Alvaro Luis Cabrera Ramirez	Energy manager
Edgardo Zamora Pérez	Yauli operations manager
Mario Oswaldo Guerra Aris	San Cristóbal operations manager
Carlos Manuel García Zapata	Andaychagua operations manager
James Atalaya Chacón	Chungar operations manager
Eduardo Enrique Malpartida Espinoza	Alpamarca operations manager
Herman Flores Arévalo	Cerro de Pasco operations manager
Jorge Simón Chávez Manrique	Geology manager
César Emilio Farfán Bernal	Regional explorations manager
Alfonso Rebaza González	Legal counsel
Juan Alberto Begazo Vizcarra	Audit manager
Carlos Eduardo Flores Trelles	Information technology manager
Juan Silbino Marceliano Rojas	Occupational health and safety manager
Sergio Martín Giampietri Ramos	Corporate asset security manager
Eduardo Julio Magnasco La Torre	Maintenance and quality manager
José Remigio Manzaneda Cabala	Manager of metallurgical operations
Percy Luis Rivera López	Environmental affairs manager
David Brian Gleit	Investor relations manager
Mauricio Scerpella Iturburu	Budgeting and management control manager
Pedro Simón Navarro Neyra	Finance manager
Willy Antonio Montalvo Callirgos	Accounting and tax manager
Jorge Luis Cotrina Luna	Securities manager

Carahuacra Norte Open Pit - Yauli





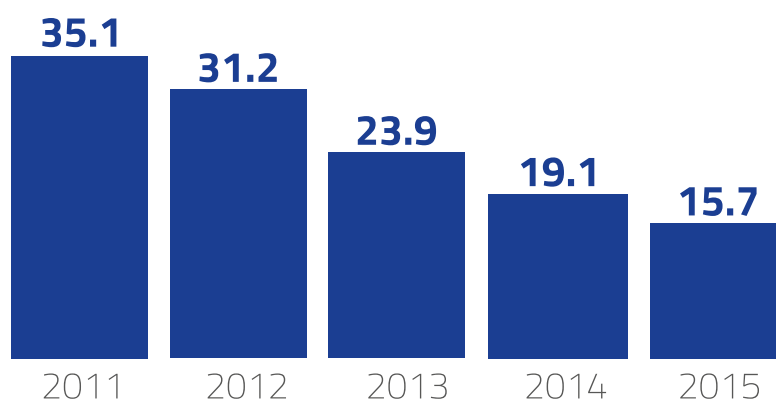
Huacracocho Lagoon - Yauli



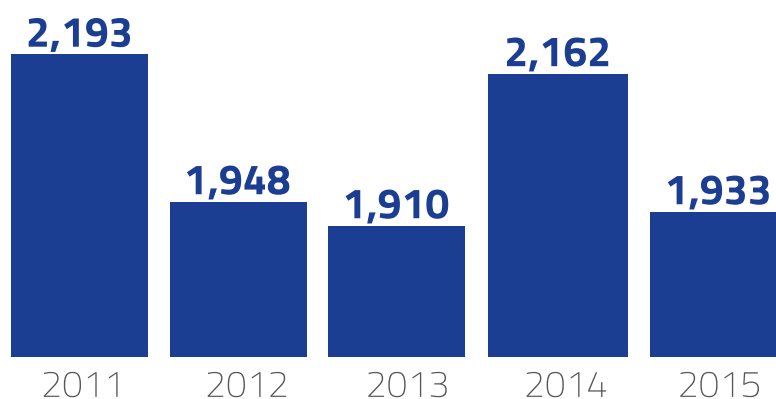
5. PRINCIPAL INDICATORS

MARKET INDICATORS

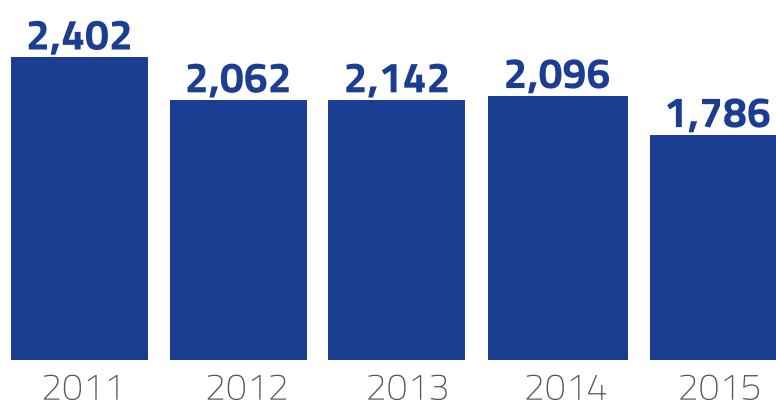
EVOLUTION OF THE AVERAGE SPOT PRICE FOR SILVER (USD/OZ)



EVOLUTION OF THE AVERAGE SPOT PRICE FOR ZINC (USD/MT)

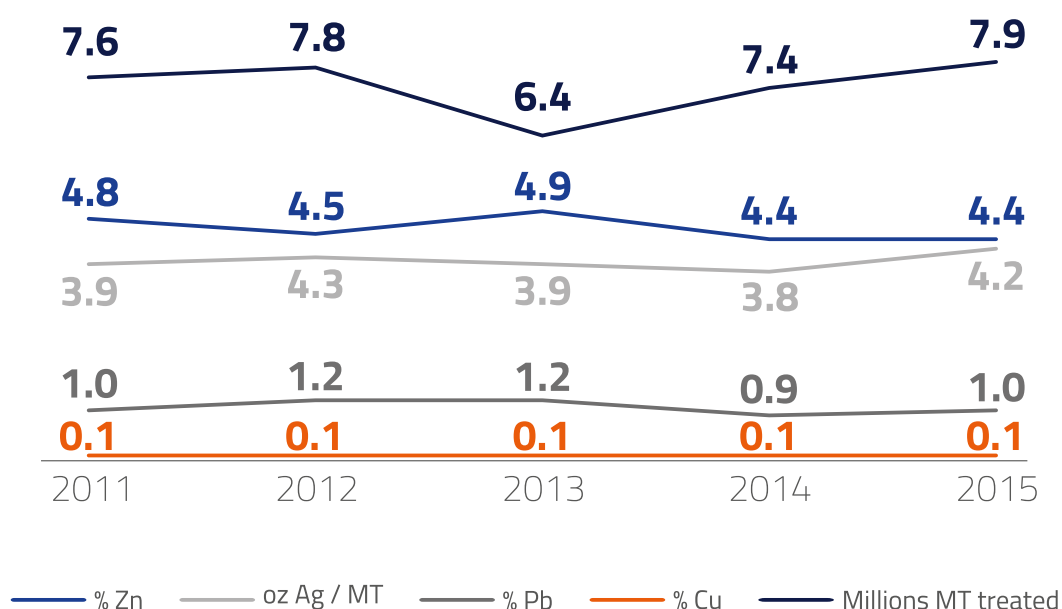


EVOLUTION OF THE AVERAGE SPOT PRICE FOR LEAD (USD/MT)

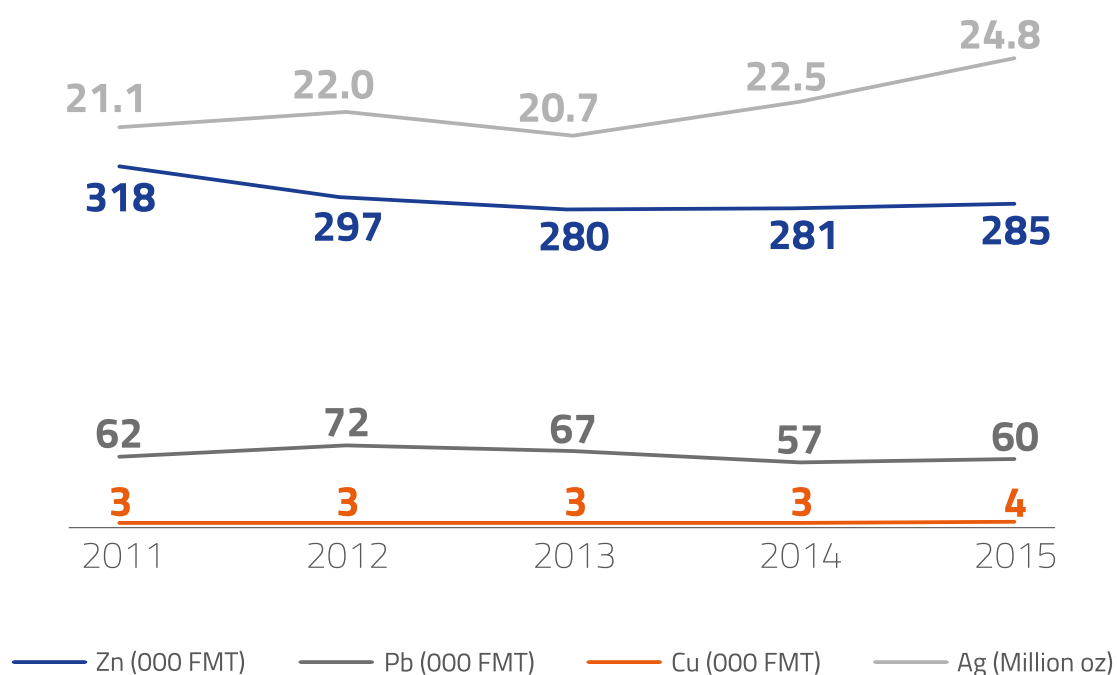


PRODUCTION INDICATORS

EVOLUTION OF PRODUCTION AND AVERAGE GRADE



EVOLUTION OF FINES PRODUCTION



2015 RANKING OF PRODUCTION IN PERU – FINES

Zinc	Thousands MT	Share
Compañía Minera Antamina S.A.	298.3	21%
Volcan Compañía Minera S.A.A. and Subsidiaries	284.9	20%
Compañía Minera Milpo S.A.A. ¹	278.7	20%
Empresa Minera Los Quenuales S.A.	102.5	7%
Catalina Huanca Sociedad Minera S.A.C.	48.4	3%
Others	408.7	29%
Total	1,421.5	100%

Lead	Thousands MT	Share
Volcan Compañía Minera S.A.A. and Subsidiaries	59.6	19%
Compañía Minera Milpo S.A.A. ¹	50.0	16%
Compañía de Minas Buenaventura S.A.A. ²	29.9	9%
Compañía Minera Raura S.A.	21.5	7%
Sociedad Minera Corona S.A.	18.4	6%
Others	136.5	43%
Total	315.8	100%

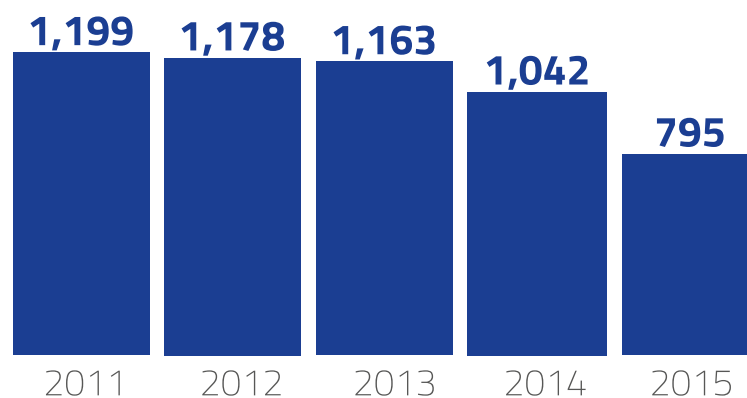
Silver	Millions Oz	Share
Volcan Compañía Minera S.A.A. and Subsidiaries	24.8	19%
Compañía de Minas Buenaventura S.A.A. ²	20.2	15%
Compañía Minera Antamina S.A.	19.0	14%
Hochschild Perú ³	10.9	8%
Compañía Minera Milpo S.A.A. ¹	8.9	7%
Others	48.1	36%
Total	131.9	100%

¹Includes Compañía Minera Atacocha S.A.A.²Includes 54.07% of El Brocal.³The total production of Hochschild is 14.8 million ounces of silver, including Santa Cruz in Argentina.

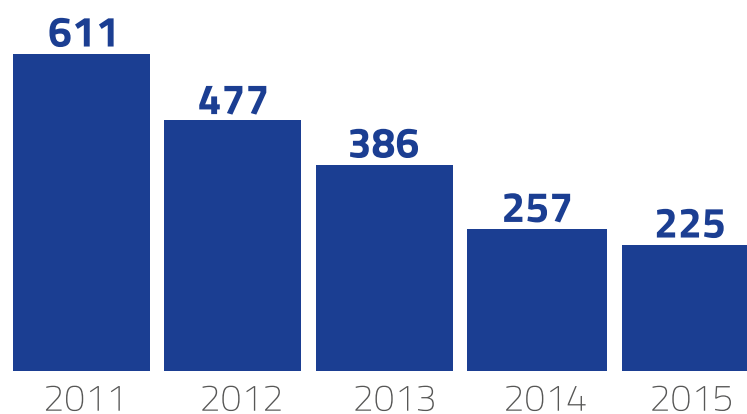
Source: Ministry of Energy and Mines

FINANCIAL INDICATORS

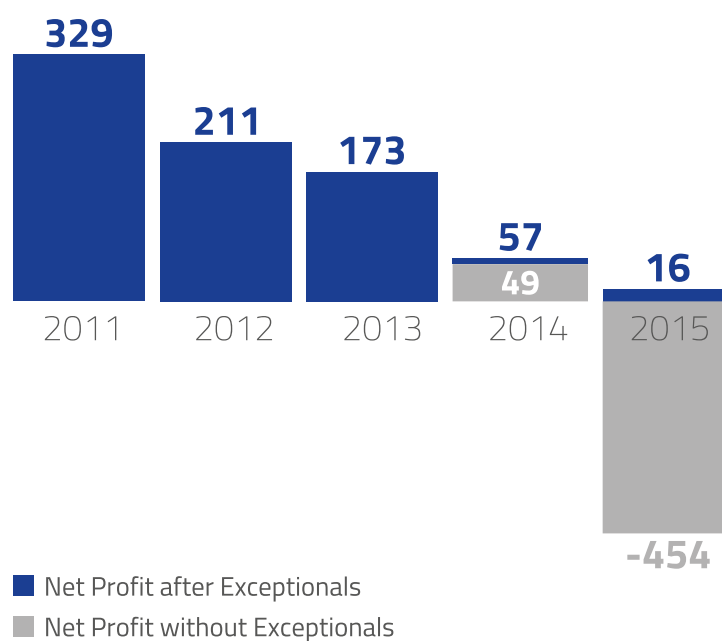
EVOLUTION OF SALES (MILLIONS OF USD)



EVOLUTION OF EBITDA (MILLIONS OF USD)



EVOLUTION OF NET PROFIT (MILLIONS OF USD)





Carahuacra Mine - Yauli



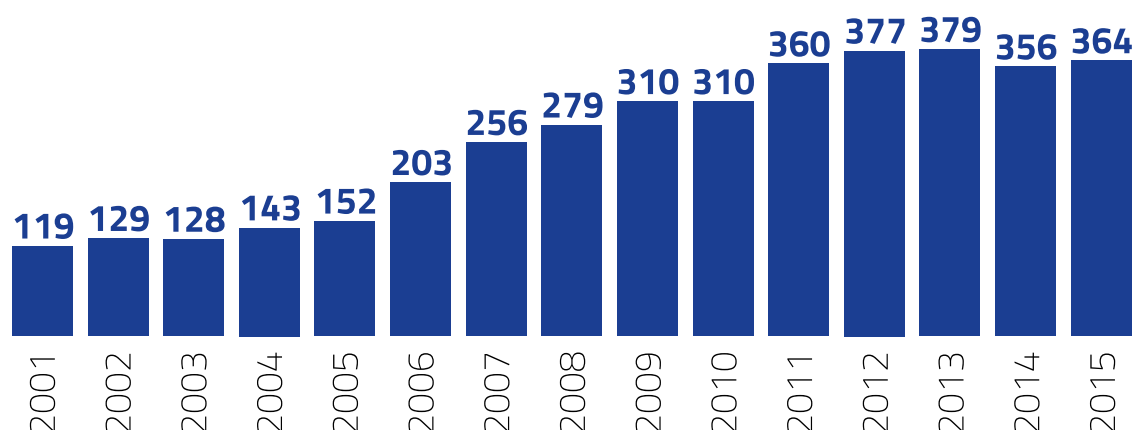
6. ORE RESERVES AND RESOURCES

The ore reserves and resources have been estimated as of December 31, 2015 in accordance with the international standards of the Joint Ore Reserves Committee (JORC⁴).

Volcan continued to develop systematic brownfield exploration programs and diamond drilling in

potential areas to delineate resources and infill drilling with the objective of replenishing and increasing resources and reserves in its mining operations. More details about the exploration program are provided in the Exploration and Growth section.

HISTORICAL EVOLUTION OF RESERVES AND RESOURCES - VOLCAN AND SUBSIDIARIES (MILLIONS OF TONS)



Reserves and resources as of December 31, 2015 were calculated using long-term metal price projections: 2,200 USD/MT for zinc, 2,000 USD/MT

for lead, 6,500 USD/MT for copper and 18 USD/ounce for silver.

EVOLUTION OF METAL PRICES APPLIED TO RESERVE ESTIMATES

Metal Prices	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Zinc (USD/MT)	1,150	1,170	1,170	1,170	1,800	1,800	1,500	1,800	1,800	1,800	1,800	1,800	1,900	2,200	2,200
Lead (USD/MT)	500	600	800	800	1,000	1,800	1,500	1,800	1,800	1,800	1,800	1,800	2,000	2,000	2,000
Copper (USD/MT)	1,850	2,000	2,000	2,000	2,500	5,000	5,000	5,000	5,000	6,500	6,500	6,500	6,500	6,500	6,500
Silver (USD/oz)	5.2	6.0	6.0	6.0	9.0	12.0	12.0	12.0	12.0	15.0	15.0	20.0	20.0	18.0	18.0
Gold (USD/oz)	300	350	350	350	400	700	700	700	900	1,000	1,000	1,000	1,200	1,200	1,200

⁴ The JORC (Joint Ore Reserves Committee) Code is a code of professional practice that establishes standards for public information on the results of ore exploration, resources, and reserves. It provides a system for classifying ore according to levels of confidence in the geological information and technical and economic considerations contained in public reports.

MINERAL RESERVES

Ore reserves consist of ore classified as proven and probable. Ore resources are additional to ore reserves.

HISTORICAL EVOLUTION OF TOTAL RESOURCES - VOLCAN AND SUBSIDIARIES

Evolution of ore reserves	Thousand MT	Grades				Zn Thousands MT	Fines Pb Thousands MT	Ag Millions oz
		Zn %	Pb %	Cu %	Ag oz/MT			
2001	48,459	8.10	2.20	0.10	3.10	3,925	1,066	150.2
2002	51,467	7.00	1.90	0.10	3.20	3,603	978	164.7
2003	51,620	6.90	2.00	0.10	3.70	3,562	1,032	191.0
2004	58,680	5.80	1.60	0.10	3.50	3,403	939	205.4
2005	64,553	6.40	1.90	0.10	3.60	4,131	1,227	232.4
2006	76,455	5.80	1.70	0.10	3.60	4,434	1,300	275.2
2007	110,320	4.80	1.50	0.00	3.30	5,295	1,655	364.1
2008	123,129	4.20	1.30	0.00	3.10	5,171	1,601	381.7
2009	140,260	4.00	1.30	0.00	2.90	5,610	1,823	406.8
2010	148,429	3.85	1.15	0.06	3.05	5,715	1,707	452.7
2011	135,691	3.86	1.12	0.05	3.23	5,238	1,520	438.3
2012	109,673	3.75	1.05	0.12	3.23	4,112	1,147	354.6
2013	69,417	3.93	0.97	0.12	3.98	2,728	676	276.0
2014	73,699	3.70	0.92	0.14	3.79	2,726	674	279.3
2015	76,891	3.69	0.91	0.14	3.47	2,840	701	266.9

The systematic exploration program begun in 2014, which continued in 2015, enabled total reserves to be increased by 4.3%, thereby increasing polymetallic reserves by 3.2 million tons.

The Yauli unit increased its proven and probable reserves by 9.2%, sustained mainly by its Carahuacra and Ticlio mines, with increases of 21.8% and 65.1% respectively.

The Chungar unit recorded a significant increase in its reserves of 40.2%, supported by its Animón and Islay mines, with increases of 46.0% and 13.8%, respectively.

The Cerro de Pasco unit shows changes to its oxide stockpiles as a result of the ore treated in the plant. Meanwhile the remaining ore in the underground mine was put into the resources category as a result of the stoppage of this operation.

In the Vinchos satellite unit, the remaining ore was also classified as a resource because of the stoppage of this operation.

Finally, at the Alpamarca unit, the ore was revalued using a new resource model which incorporates more geological information, and the grades and reserves of the open pit were updated.

PROVEN AND PROBABLE ORE RESERVES BY MINING UNIT

Proven and Probable Ore Reserves	Thousands MT	Grades				Fines			
		Zn %	Pb %	Cu %	Ag oz/MT	Zn Thousands MT	Pb Thousands MT	Cu Thousands MT	Ag Millions oz
Yauli	34,631	4.91	0.85	0.20	3.52	1,701	293	69	122
Proven	15,181	5.17	0.88	0.15	3.77	785	133	23	57
Probables	19,450	4.71	0.82	0.23	3.32	916	160	46	65
Cerro	27,923	1.99	0.78	0.06	3.76	556	217	17	105
Proven	2,592	3.01	1.26	0.07	6.24	78	33	2	16
Probables	25,331	1.89	0.73	0.06	3.51	478	184	15	89
Chungar	11,281	4.86	1.49	0.14	2.86	548	168	16	32
Proven	4,235	5.53	1.62	0.15	3.06	234	69	6	13
Probables	7,046	4.45	1.42	0.14	2.74	314	100	10	19
Alpamarca	3,056	1.13	0.73	0.07	2.58	34	22	2	8
Proven	49	0.74	0.45	0.13	5.18	0	0	0	0
Probables	3,007	1.13	0.74	0.07	2.54	34	22	2	8
Proven	22,057	4.98	1.07	0.14	3.93	1,098	235	32	87
Probables	54,834	3.18	0.85	0.13	3.29	1,742	466	73	180
Total	76,891	3.69	0.91	0.14	3.47	2,840	701	104	267

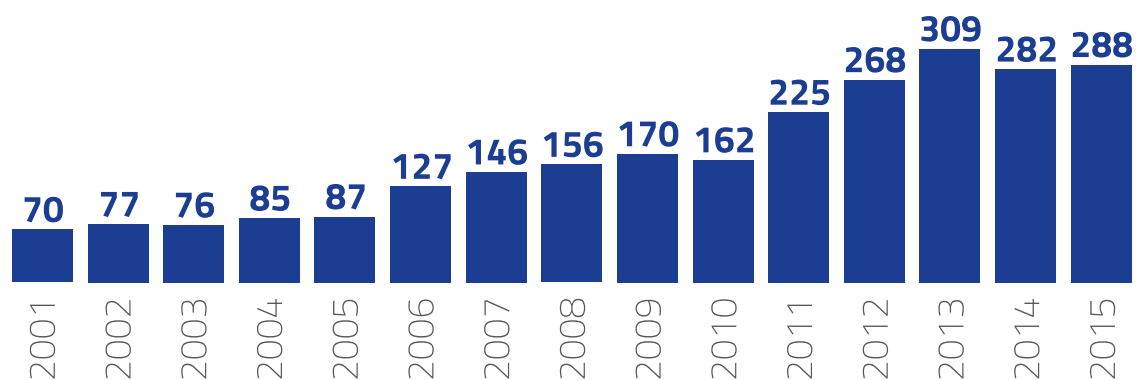
ORE RESERVES BY MINING METHOD

Ore Reserves by Mining Method		Thousands MT	Zn %	Pb %	Grades Cu %	Ag oz/MT
Underground mines		43,116	5.17	1.06	0.15	3.53
Yauli	San Cristóbal	15,521	5.78	1.02	0.19	4.12
	Carahuacra	3,976	5.93	0.49	0.07	2.29
	Andaychagua	9,054	4.03	0.64	0.11	4.47
	Tidlio	3,113	5.82	1.69	0.22	1.79
Chungar	Animón	9,648	5.43	1.63	0.16	2.04
	Islay	1,633	1.49	0.70	0.04	7.72
Alpamarca	Río Pallanga	170	1.30	0.79	0.18	5.58
Open pits		26,997	2.19	0.79	0.08	2.31
Yauli	Carahuacra N & others	846	2.61	0.68	0.02	1.29
	Oyama	2,120	-	-	0.94	0.73
Cerro	Raúl Rojas	15,290	3.51	1.21	0.00	1.56
	<i>In situ</i> oxides	5,854	-	-	-	4.94
Alpamarca	Alpamarca	2,887	1.11	0.73	0.07	2.40
Stockpiles		6,779	0.30	0.46	0.24	7.70
Cerro	Oxides SP	2,081	-	-	0.15	9.56
	Pyrite Sulfide SP	4,698	0.43	0.67	0.28	6.88
Total Reserves		76,891	3.69	0.91	0.14	3.47

MINERAL RESOURCES

The mineral resources listed below are not part of proven and probable reserves.

HISTORICAL EVOLUTION OF MEASURED, INDICATED AND INFERRED RESOURCES VOLCAN AND SUBSIDIARIES (MILLIONS OF TONS)



MEASURED, INDICATED AND INFERRED RESOURCES BY UNIT

Resources measured*, indicated and inferred	Thousands MT	Grades				Fines			
		Zn %	Pb %	Cu %	Ag oz/MT	Zn Thousands MT	Pb Thousands MT	Cu Thousands MT	Ag Millions oz
Yauli	58,729	3.94	0.81	0.25	2.90	2,312	475	149	170
Measured	5,734	2.46	0.71	0.11	1.88	141	41	7	11
Indicated	9,334	2.20	0.61	0.15	1.82	205	57	14	17
Inferred	43,661	4.50	0.86	0.29	3.26	1,966	377	128	143
Cerro	135,682	2.13	0.86	0.10	2.62	2,891	1,163	137	356
Measured	27,054	2.88	1.04	0.04	1.56	780	282	12	42
Indicated	85,254	2.07	0.84	0.12	2.62	1,765	719	100	223
Inferred	23,373	1.48	0.69	0.11	3.86	345	162	25	90
Chungar	17,140	5.76	1.81	0.15	2.96	988	310	26	51
Measured	418	5.75	1.43	0.07	3.57	24	6	0	1
Indicated	698	3.59	1.17	0.09	2.75	25	8	1	2
Inferred	16,025	5.86	1.85	0.16	2.96	939	296	25	47
Alpamarca	4,382	0.55	0.41	0.07	2.16	24	18	3	9
Measured	24	0.63	0.42	0.13	5.34	0	0	0	0
Indicated	1,524	0.51	0.38	0.05	1.49	8	6	1	2
Inferred	2,834	0.57	0.42	0.08	2.50	16	12	2	7
Vinchos	742	2.66	2.77	0.15	7.66	20	21	1	6
Measured	155	1.49	1.53	0.39	5.46	2	2	1	1
Indicated	414	2.33	2.71	0.07	8.17	10	11	0	3
Inferred	173	4.50	4.00	0.11	8.40	8	7	0	1
Rondoní	64,355	0.00	0.00	0.49	0.17	0	0	314	11
Indicated	42,360	0.00	0.00	0.49	0.19	0	0	208	8
Inferred	21,995	0.00	0.00	0.48	0.13	0	0	106	3
Palma	5,590	7.43	1.50	0.00	1.42	415	84	0	8
Inferred	5,590	7.43	1.50	0.00	1.42	415	84	0	8
San Sebastián	910	6.06	3.85	0.48	8.69	55	35	4	8
Inferred	910	6.06	3.85	0.48	8.69	55	35	4	8
Measured	33,385	2.84	0.99	0.06	1.66	948	331	20	56
Indicated	139,584	1.44	0.57	0.23	1.83	2,013	801	322	256
Inferred	114,561	3.27	0.85	0.25	2.68	3,744	973	292	307
Total Resources	287,530	2.33	0.73	0.22	2.15	6,705	2,105	634	619

*Measured and indicated resources are in addition to reserves.

The Company's measured and indicated resources as of December 31 were 173 million tons, which is a slight reduction of -2% from December 31, 2014.

The inferred resources as of December 2015 are in the order of 114.6 million tons with an increase of 8% with respect to the previous year.

MEASURED AND INDICATED RESOURCES BY MINING METHOD

Measured and Indicated ore resources by mining method		Thousands MT	Zn %	Pb %	Grades Cu %	Ag oz/MT
Underground mines		30,422	3.24	0.92	0.07	1.56
Yauli	San Cristóbal	2,285	3.68	0.55	0.19	2.54
	Carahuacra	446	5.66	0.71	0.06	2.58
	Andaychagua	3,640	2.61	0.33	0.18	2.45
	Tidlio	1,883	3.16	0.68	0.14	1.10
Cerro	Paragsha Mine	19,242	3.40	1.08	0.03	1.03
Chungar	Animón	463	5.97	1.61	0.14	1.84
	Islay	451	0.87	0.47	0.03	4.11
	Shalca	201	8.68	2.25	0.07	3.49
Alpamarca	Alpamarca	1,240	0.45	0.32	0.05	1.52
Vinchos	Vinchos	569	2.10	2.39	0.16	7.43
Open pits		123,700	1.48	0.60	0.23	1.66
Yauli	Carahuacra N & others	2,243	2.24	0.57	0.01	1.47
	Zoraida	3,660	0.87	1.22	0.00	1.61
	Oyama	910	0.00	0.00	0.69	0.65
Cerro	Raúl Rojas	44,680	3.10	1.15	0.00	1.23
	Pyrites (sulfide)	29,539	1.24	0.59	0.25	4.49
Alpamarca	Alpamarca	307	0.78	0.62	0.05	1.64
Rondoní	Rondoní	42,360	0.00	0.00	0.49	0.19
Stockpiles		18,847	0.74	0.56	0.17	3.08
Cerro	Pb-Zn Marginal	5,301	1.97	0.57	0.00	0.55
	Oxides SP	1,659	0.00	0.00	0.15	3.34
	Pyrite Sulfide SP	11,887	0.29	0.63	0.25	4.16
Total measured and indicated resources		172,969	1.71	0.65	0.20	1.80

Inferred resources include mineralized material that is economically viable but whose level of geological certainty is not yet sufficient for it to be evaluated and classified as reserves. Such resources are an important indicator of the capacity for growth and the future sustainability of operations. A significant portion of these resources will become reserves in the short and medium term.

The exploration work implemented has achieved satisfactory results. Among the results worth highlighting are Yauli unit, which increased its inferred resources by 10% (3.8 million tons) and Chungar unit, which recorded a 33% increase in inferred resources (4.0 million tons). These results will enable the Company to increase its reserves as the reserve replacement cycle continues forward.

At consolidated level, inferred resources of polymetallic ore (zinc, lead, copper and silver) rose by 8% (8.6 million tons).

INFERRED RESOURCES BY MINING METHOD

Inferred ore resources by mining method		Thousands MT	Zn %	Pb %	Grades Cu %	Ag oz/MT
Underground mines		63,825	5.40	1.25	0.20	3.26
Yauli	San Cristóbal	16,379	6.63	1.08	0.38	4.91
	Carahuacra	3,127	6.85	0.78	0.14	3.08
	Andaychagua	10,342	3.20	0.62	0.16	3.22
	Ticlio	6,796	4.25	1.13	0.26	1.67
Cerro	Paragsha Mine	1,872	5.16	1.36	0.05	1.05
Chungar	Animón	12,855	6.92	2.13	0.19	2.57
	Islay	3,116	1.49	0.69	0.04	4.57
	Shalca	54	5.36	1.13	0.03	1.65
Alpamarca	Alpamarca	1,913	0.42	0.33	0.04	0.89
	Río Pallanga	234	1.77	1.15	0.29	8.63
	Tirol	464	0.34	0.25	0.13	6.35
Vinchos	Vinchos	173	4.50	4.00	0.11	8.40
Proyecto Palma	Palma	5,590	7.43	1.50	0.00	1.42
Proyecto San Sebastián	San Sebastián	910	6.06	3.85	0.00	8.69
Open pits		46,154	0.60	0.31	0.32	1.62
Yauli	Carahuacra N & others	1,267	1.84	0.46	0.01	1.34
	Zoraida	1,970	1.16	1.45	0.00	1.83
	Oyama	3,780	0.00	0.00	0.73	0.68
Cerro	Raúl Rojas	4,890	2.35	0.92	0.00	0.94
	<i>In situ</i> oxides	667	0.00	0.00	0.00	4.50
	Pyrites (sulfide)	11,362	1.01	0.55	0.13	4.93
Alpamarca	Alpamarca	223	1.08	0.82	0.06	1.90
Rondoní	Rondoní	21,995	0.00	0.00	0.48	0.13
Stockpiles		4,582	0.40	0.65	0.21	5.40
Cerro	Oxides SP	382	0.00	0.00	0.17	4.57
	Pyrite Sulfide SP	4,200	0.44	0.71	0.21	5.48
Total inferred resources		114,561	3.27	0.85	0.25	2.68

The inferred resources of the polymetallic mines represent 61% of the total, pyrites and oxides 15%, and projects 25%, of the 114.6 million tons.

DISTRIBUTION OF INFERRED RESOURCES

Inferred resources		TMS	%	%
Polymetallic Mines	Yauli	43,661	38.11%	61%
	Chungar	16,025	13.99%	
	Alpamarca	2,834	2.47%	
	Vinchos	173	0.15%	
	Cerro U G	1,872	1.63%	
	Cerro OP	4,890	4.27%	
Pyrite	Cerro Py	15,562	13.58%	14%
Oxides	Cerro Ox	1,050	0.92%	1%
Projects	Rondoní	21,995	19.20%	25%
	Palma	5,590	4.88%	
	San Sebastián	910	0.79%	
Total		114,561	100%	100%



Carahuacra Mine - Yauli



7. MINING OPERATIONS

Volcan's mining operations are located in the central highlands of Peru. This region is particularly propitious for mining due to its geological characteristics, proximity to Lima and easy access to principal highways.

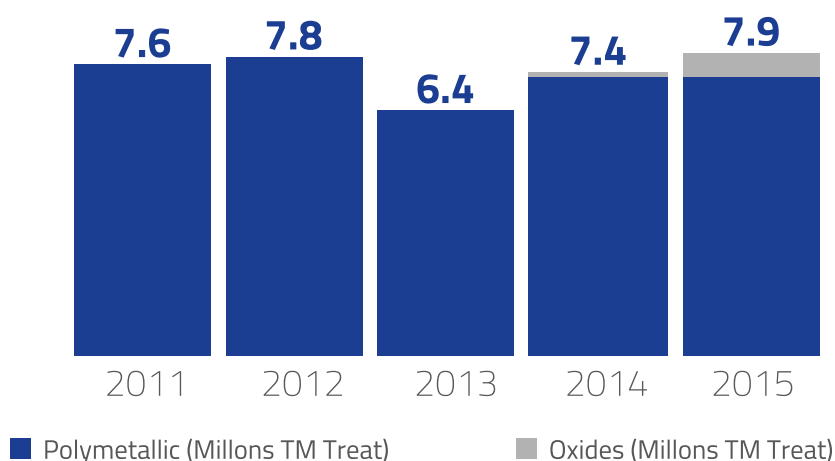
Volcan has five operational units: Yauli, Chungar,

Cerro de Pasco, Alpamarca and Óxidos de Pasco. Together, they have nine underground mines, three open pits, seven concentrator plants with a treatment capacity of 21,850 tpd and a lixiviation plant of 2,500 tpd. The composition of each unit is detailed below:

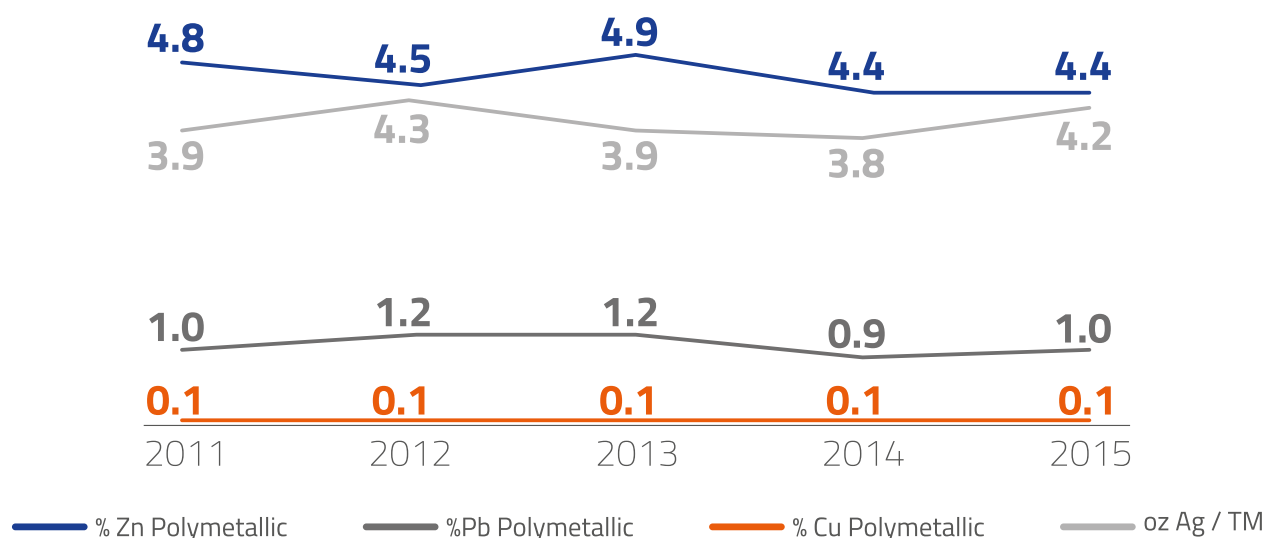
Unit	Mines		Plants	
	Name	Type	Name	Type
Yauli	San Cristobal	underground	Victoria	concentrator
	Andaychagua	underground	Mahr Tunel	concentrator
	Ticlio	underground	Andaychagua	concentrator
	Carahuacra	underground		
	Carahuacra Norte	open pit		
Chungar	Animón	underground	Animón	concentrator
	Islay	underground		
Cerro de Pasco	Mina Subterranea	underground	Paragsha	concentrator
	Raúl Rojas	open pit	San Expedito	concentrator
	Vinchos	underground		
Alpamarca	Rio Pallanga	underground	Alpamarca	concentrator
	Alpamarca	open pit		
Óxidos de Pasco	Stockpiles	stockpiles	Óxidos	leaching

Treated tonnage increased from 7.4 million in 2014 to 7.9 million in 2015, mainly due to the contribution from the new Alpamarca unit and the Pasco oxide plant.

EVOLUTION OF TREATED TONNAGE - VOLCAN CONSOLIDATED

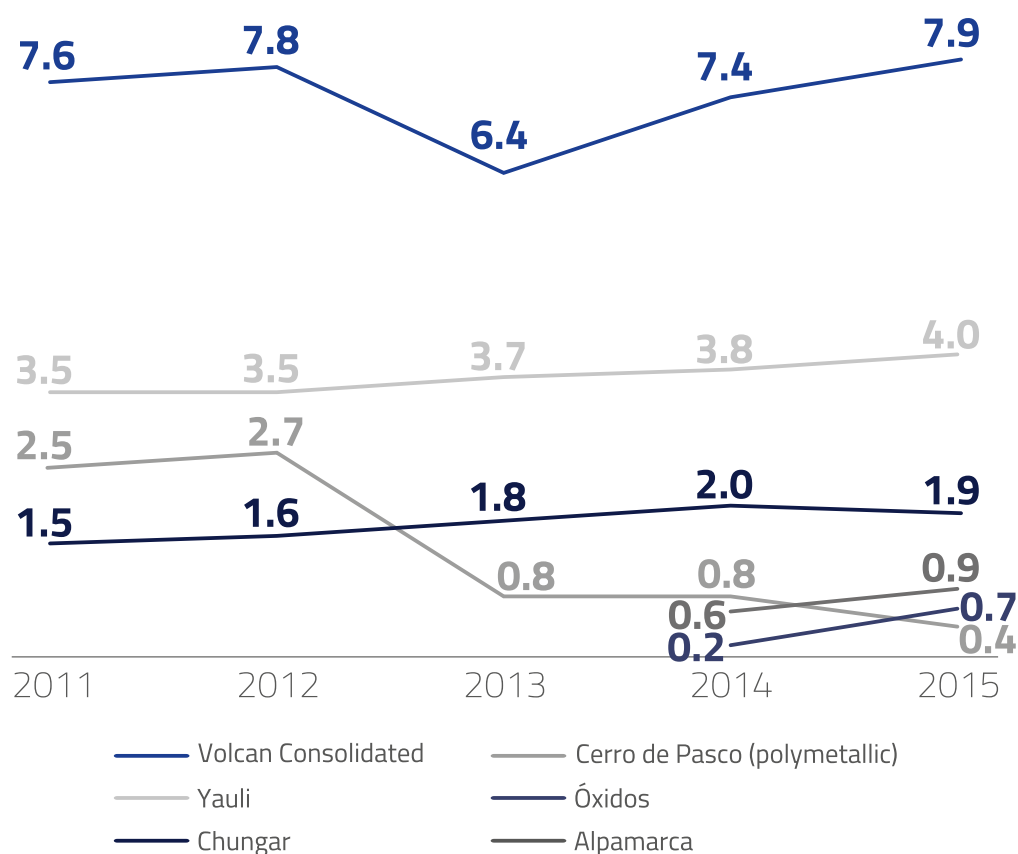


EVOLUTION OF AVERAGE GRADES - VOLCAN CONSOLIDATED



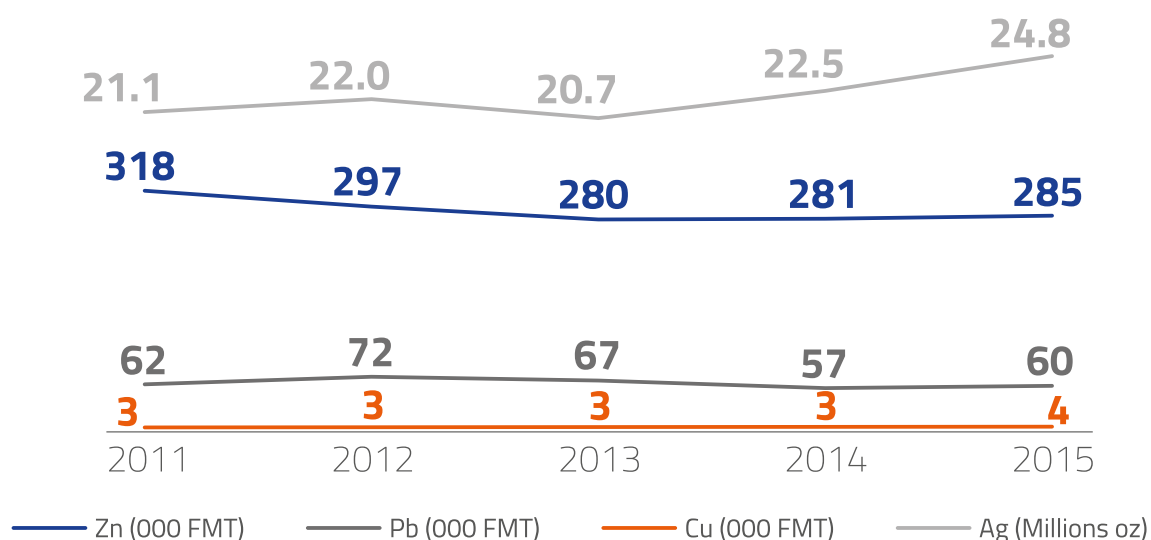
The new Alparamarca unit partially offset the decline in production of polymetallic concentrates that has been occurring since 2011 at Cerro de Pasco, due to the temporary reduction in operations in place in this mining unit.

EVOLUTION OF TREATED TONNAGE BY UNIT (MILLIONS OF TONS)



In terms of fines, in 2015 the Company produced 284,900 tons of zinc fines, 59,600 tons of lead fines, 4,300 tons of copper fines and 24.8 million ounces of silver.

EVOLUTION OF FINES PRODUCTION - VOLCAN CONSOLIDATED



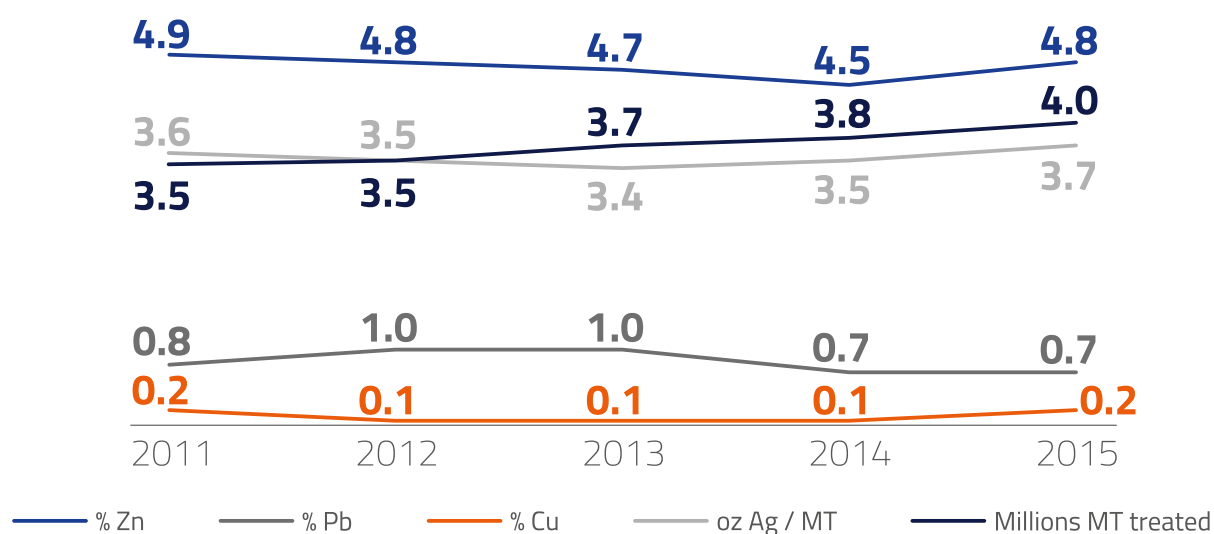
YAULI UNIT

The Yauli unit is located in the Junín Region, 40 kilometers from the city of La Oroya and 170 kilometers from Lima, and it is accessible by road and rail.

The unit consists of four underground mines and one open pit, from which the ore is treated in three concentrator plants whose total installed

capacity at year-end 2015 was 11,350 tpd. During 2015, the total volume of ore processed at the three concentrator plants was 4.0 million tons. Ore grades were 4.76% Zn, 0.73% Pb, 0.15% Cu and 3.72 oz Ag/TM, which represents 50% of Volcan's consolidated treated ore.

EVOLUTION OF TREATED TONNAGE AND AVERAGE GRADES - YAULI



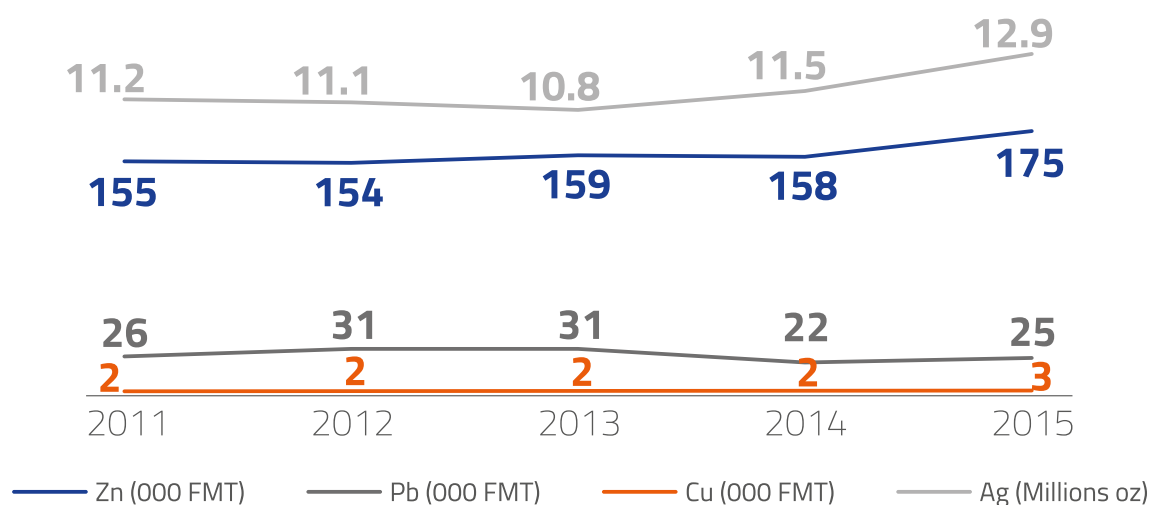
The production of silver fines was 12.9 million ounces, representing a 12% increase over 2014. This increase was due to higher silver ore grades at the Andaychagua, Carahuacra and San Cristóbal mines, and also the greater volumes processed at the Victoria concentrator plant starting in the 2nd half, as a result of plant expansion.

Zinc production was 175,200 tons of fines, which represents an 11% increase over 2014. This increase is due to the greater volumes of higher-grade ores

from the Carahuacra and San Cristóbal mines, and the higher processed tonnages at the Victoria concentrator plant.

The production of lead fines was 25,400 tons, which is 16% higher than 2014 production. The increase was due to the greater input of ores from Ticlio and Carahuacra, and also the greater ore volumes treated at the Victoria concentrator plant. In 2015, production of copper fines was 2,500 tons, representing an increase of 18% over 2014.

EVOLUTION OF FINES PRODUCTION - YAULI



During 2015, the Victoria concentrator plant expansion project continued, with processed tonnage reaching 5,200 tpd at year end. This plant

expansion was accompanied by greater production capacity at Carahuacra mine and at the Carahuacra Norte open pit.

YAULI PRODUCTION BY MINE

	Treated tonnage (000 MT)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (oz / MT)	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
San Cristóbal	1,532	1,555	4.9	5.0	0.6	0.8	0.2	0.2	3.1	3.3
Andaychagua	979	1,127	3.8	3.9	0.6	0.7	0.1	0.1	5.3	5.9
Ticlio	368	289	5.1	5.6	1.7	1.8	0.2	0.3	2.2	2.4
Carahuacra	433	653	7.0	6.9	0.3	0.3	0.1	0.1	2.0	2.1
Tajo Carahuacra Norte	414	369	1.8	2.0	0.3	0.3	0.0	0.0	3.4	2.9
Toldorrumi	52		4.1		0.2		0.0		1.7	
Third-party mineral	59		2.9		2.3		0.3		1.7	
Total Yauli	3,837	3,994	4.5	4.8	0.7	0.7	0.1	0.2	3.5	3.7

MINES

In 2015, the Yauli unit mines increased their ore extraction tonnages by 7% as a result of the expansion of the Carahuacra, Andaychagua and San Cristóbal mines. This expansion has involved greater preparation and development of their operational areas for the implementation of long-hole drilling, which will entail more efficient use of equipment, boost productivity, reduce operating costs and minimize the risk of accidents due to rock fall.

During the year, mine infrastructure improvements continued to be made at the mines. Execution of raisebore shafts was carried out to improve mine

ventilation, and the main water pumping systems were improved and made more reliable. In terms of in-mine communications, improved connectivity was assured at Carahuacra mine by installing a voice, data and video communications system that will improve operational control on the part of management. This communications system infrastructure will also serve for the continued installation of in-mine tracking and instrumentation systems.

San Cristóbal Mine

2015 also saw greater centralization of operations, making it possible to concentrate on two production zones and also to deepen the mine. As a result, productivity was raised, use of the equipment fleet was maximized, and the number of workers was reduced. Moreover, mine development was performed by a single contractor. Mine standardization also forged ahead, improving the conditions of the energy systems, mine maintenance and lighting of the main tunnels and drifts.

At the same time, a total of 6,936 meters of new ramps and bypasses were developed, along with 15,867 meters of preparatory works and exploitation of sub-levels, as well as 881 meters of raisebore shafts for ventilation.

Finally, the mine continued employing the hydraulic fill method, using classified-tailings backfill. This method leads to greater mine stability and helps prolong the service life of the tailings deposits.

Andaychagua Mine

In 2015, Andaychagua mine continued the preparatory work for long-hole drilling in the high zone (Recuay), which resulted in a 400 tpd production increase, for a total of 3,400 tpd of mine capacity. Also, work was completed on the water-pumping system infrastructure for the deepening of the mine, making it possible to develop levels 1170 and 1200. Work was completed on replacing two pumps used for delivering cemented fill at the Central mine, raising cemented-fill placement capacity from 11,000 m³/month to 16,000 m³/month. In addition, the fill-delivery pipes were replaced and two substations were installed inside the mine to improve the reliability of the system and to secure the energy-supply system in the

mine-deepening zones. Finally, during the year various improvements were made to the accommodations for personnel.

As for mine expansion work, 5,377 meters of mine development was completed, as well as 7,600 meters of sub-level preparation and exploitation. Finally, 582 meters of ventilation shafts were raisebored.

In the last quarter, the Roberto Letts Shaft project was reactivated in order to achieve a significant reduction in ore extraction and transportation costs. It is expected that the project will be completed in the third quarter of 2016.

Ticlio Mine

In the first quarter of 2015, the Ticlio mine initiated a process of re-engineering its operational activities with a view to maximizing its operating margin. This process has been completed and ore input has been reduced to 870 tpd (representing a 15% decrease), leading to a reduction of costs and investment while raising ore grades by using more precise exploitation methods (high-grading). As a result, mine productivity has increased, and the number of personnel has been reduced.

Mine production was 289,700 DMT (dry metric tons), mostly from the Ramal Techo ore vein, where 50% of production is obtained by means of

long-hole drilling. Similarly, the water-pumping system projects have continued to be implemented at the Central zone, leading to cost reductions in this item. During the year, a total of 868 meters of mine development was completed, along with 3,512 meters of sub-level preparation and exploitation.

During the year, the expansion of the mine-water treatment plant was completed, raising capacity to 450 l/s.

Carahuacra Mine

During the year, mine development and preparation work increased with a view to raising production and reaching 2,500 tpd capacity. In order to achieve this goal, an intense campaign was conducted consisting of developing ramps and accesses to three different ore veins. 100% production was obtained using long-hole drilling methods. Similarly, the execution of mine infrastructure work has continued. During the year, a total of 2,913 meters of ramp and bypasses development were executed, along with 8,420 meters in

sublevel preparation and exploitation, as well as 254 meters of raiseboring of shafts for ventilation and other services.

During 2015 there have been significant operational improvements in line with mine expansion, such as the installation of electrical substations, construction of a dining room and an equipment service shop, installation of an in-mine communications system and expansion of the water-pumping system for mine-deepening operations.

Carahuacra Norte Pit

The Carahuacra Norte open pit continued its exploitation activities, extracting a total tonnage of 394,500 DMT. In December the exploitation

activities came to an end, and the pit is now inactive.

Mahr Túnel Plant - Yauli



CONCENTRATOR PLANTS

During 2015, work continued on installation of process automation and control measures, as well as on increasing the processing capacity of the Victoria concentrator plant. At year-end, capacity reached 5,200 tpd.

TREATED TONNAGE AT YAULI, BY CONCENTRATOR PLANT

	Treated tonnage (000 MT)		Zn concentrate (000 MT)		Pb concentrate (000 MT)		Cu concentrate (000 MT)	
	2014	2015	2014	2015	2014	2015	2014	2015
Victoria	1,610	1,752	148	175	16	20	4	4
Andaychagua	1,210	1,211	73	78	15	18	0	0
Mahr Túnel	1,017	1,031	82	86	16	16	5	6
Total Yauli	3,837	3,994	303	339	48	54	9	10

During 2015, the metallurgical performance of the Yauli unit continued to be satisfactory. The three concentrator plants recorded average recoveries of 92.1% for zinc, 87.4% for lead, 41.7% for copper and 86.7% for silver. This good performance is attributed to better release of sulphides thanks to finer milling of ore and the optimized use of reagents.

Finally, microscopic analysis continued to be performed for metallurgical purposes, and the Courier analyzer continued to be used in real time in order to ensure timely correction of any deviations occurring during the metallurgical process.

Victoria Plant

During 2015, the capacity of the Victoria concentrator plant was expanded from 4,500 tpd to 5,200 tpd. To achieve this expansion, greater-capacity tank cells were added to the process, as well as pumps to handle the output from the milling equipment. At this plant, zinc recovery was 93.7%, lead recovery was 86.8%, while copper recovery was 34.1% and silver recovery was 83.5%.

The operation of the Victoria concentrator plant is automated, including Courier online analysis systems and a control system that regulates the ratio of water to ore during the milling process. It is worth highlighting that the Victoria concentrator plant can separate low-grade lead and copper concentrates by flotation.

Andaychagua Plant

The plant's treatment capacity has increased to 3,350 tpd. In 2015, with a view to increasing metallurgical recovery, the plant continued to implement high-pressure classification during secondary milling, as well as using two parallel units of SK-240 Flash Flotation Cells⁵. Also, operations are controlled in real time using the on-site

display screens of the Courier online analyzer and high-frequency sizing screens for the elimination of waste material, which helps maintain adequate operation of the automated control systems. Zinc recovery was 89.2%, lead recovery was 87.4% and silver recovery was 89.2%.

Mahr Túnel Plant

The processing capacity of the Mahr Túnel Plant remains at 2,800 tpd, and in 2015 it produced 27% of the concentrates generated by the Yauli unit. During the year, the Mahr Túnel concentrator plant

maintained its metallurgical efficiency, with zinc recovery at 91.8%, lead recovery at 88.2%, copper at 68.8%, and silver at 86.3%.

⁵ The SK-240 flash cell allows instantaneous flotation of ore released from the milling circuit. The use of these cells minimizes the re-milling of valuable minerals, producing higher-grade concentrates, and recovering them in a one-step process.

Victoria Plant - Yauli



Roberto Letts Shaft - Yauli



CHUNGAR UNIT

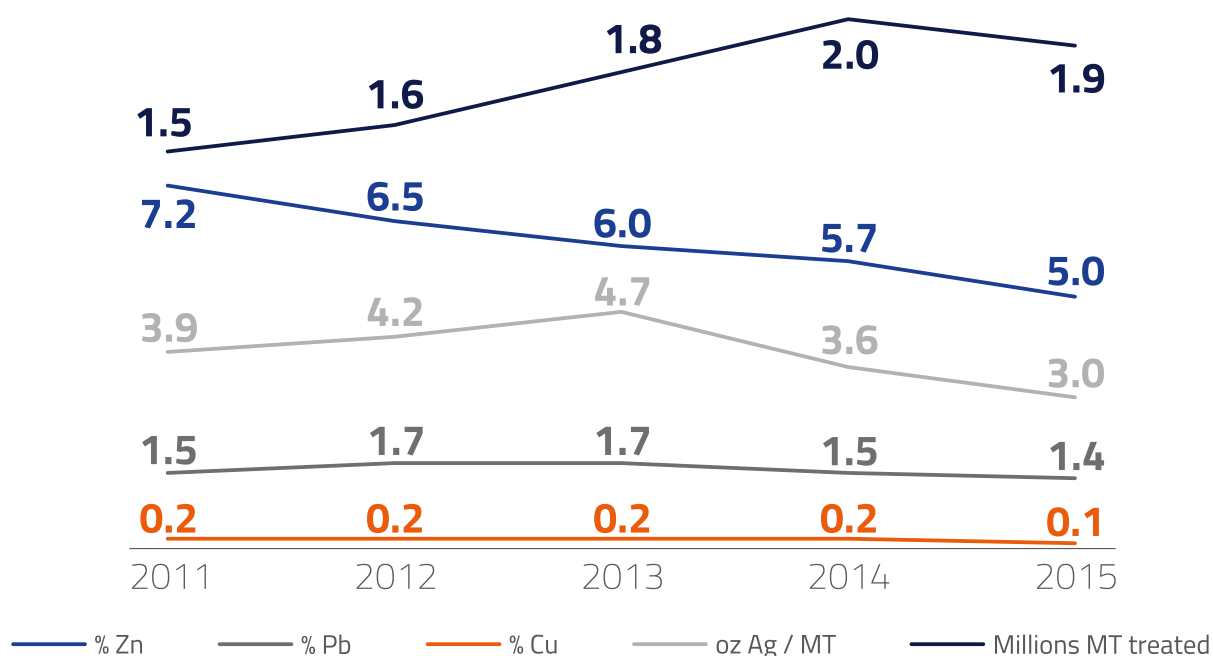
Chungar unit is located in the Pasco Region, 219 kilometers east of Lima. It consists of two underground mines, Animón and Islay, and a concentrator plant also called Animón.

In 2015, 94% of the mineral extracted at the Chungar unit was processed at the Animón plant,

while 6% was processed at the San Expedito plant, part of the Cerro de Pasco unit.

In 2015 the Chungar unit processed 1.9 million tons, with ore grades of 5.04% Zn, 1.41% Pb, 0.14% Cu and 2.97 oz Ag/MT, which represented 24% of Volcan's consolidated treated ore.

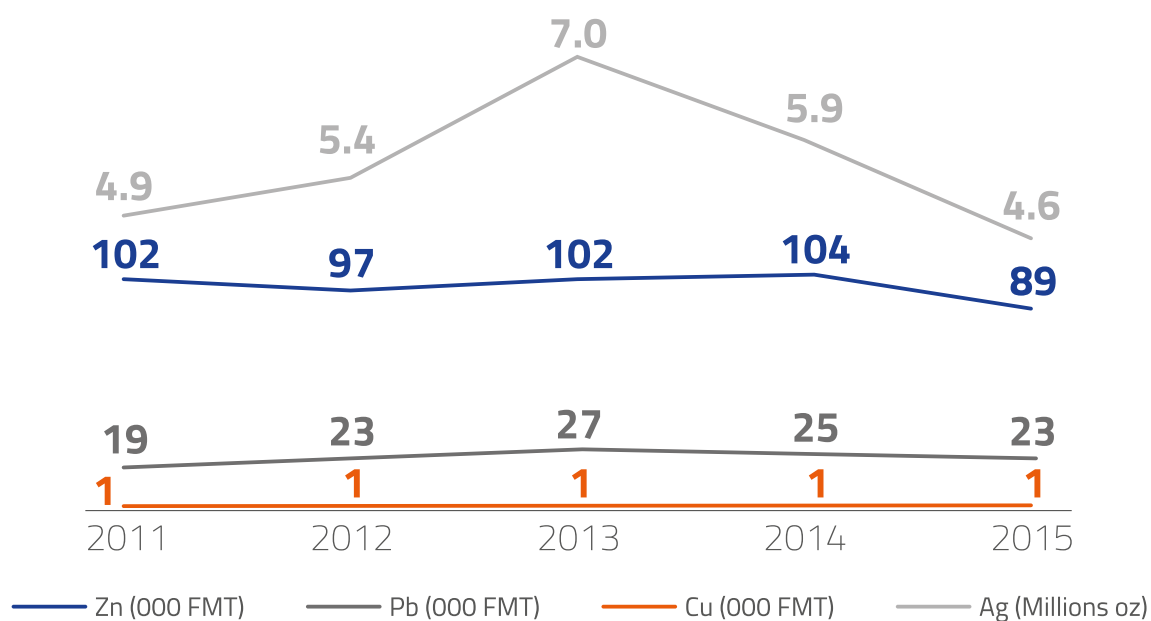
EVOLUTION OF TREATED TONNAGE AND AVERAGE GRADES - CHUNGAR



In 2015, fines production totaled 88,700 tons of zinc, 23,400 tons of lead, 1,000 tons of copper and

4.6 million ounces of silver fines.

EVOLUTION OF FINES PRODUCTION - CHUNGAR



In 2015 the Chungar unit decreased its treated volumes by 3% compared to the previous year as a result of an 11-day shutdown in November and December because of a road blockade by the

Huayllay Community. Also, the production of fine silver ounces was affected by a significant drop in silver ore grades at both the Animón and Islay mines.

CHUNGAR PRODUCTION, BY MINE

	Treated tonnage (000 MT)		Zn grade (%)		Pb grade (%)		Cu grade (%)		Ag grade (oz / MT)	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Animón	1,495	1,365	6.9	6.5	1.7	1.7	0.2	0.2	2.5	1.9
Islay	459	532	1.8	1.3	0.9	0.7	0.1	0.0	7.1	5.6
Total Chungar	1,954	1,896	5.7	5.0	1.5	1.4	0.2	0.1	3.6	3.0

Animón Mine - Chungar



MINES

Animón Mine

In 2015, production at the Animón mine leveled out at 4,000 tpd, and long-hole drilling methods were implemented for the purpose of efficiently exploiting narrow ore veins.

Significant improvements made at the Animón mine include the following: fitting out of a new in-mine mechanic shop; progress in the installation of infrastructure for the new pumping system; installation of IP closed-circuit security cameras to

monitor operations at Pique Esperanza; and new industrial electronic infrastructure to improve the operation of the pumping systems, the in-mine communications, and the remote monitoring of operations.

Also, construction of two domestic-water treatment plants was completed. These plants will improve drinking water quality at the mine.

Islay Mine

In 2015, Islay Mine consolidated its production levels at 1,800 tpd. A mine development and preparation program was executed that will make it possible to maintain mining tonnage levels thanks to long-hole drilling methods and cut-and-fill breasting methods.

Simultaneously, mine operations continued to be standardized, and some infrastructure works were executed to optimize the ventilation system

for mine deepening. These advances will make it possible to develop, prepare and exploit the South vein from level 380 to level 260.

Also, a water-treatment plant was built and put into operation, along with a domestic wastewater treatment plant and work was completed on the water runoff canal (the same canal that surrounds the industrial zone).

Animón Mine - Chungar



CONCENTRATOR PLANT

Animón Plant

CONCENTRATOR PLANT

Treatment Animón Plant (000 MT)	2014	2015
Treated tonnage	1,954	1,896
Zn concentrate	179	158
Pb concentrate	38	31
Cu concentrate	5	3

The concentrator plant reached a processing capacity of 5,500 tpd.

One of the improvements made at the plant during 2015 was an improvement in the HP500 crusher operating time thanks to improvements in equipment configuration. Also, a 400-ton-per-hour capacity filter press was purchased, which optimizes moisture levels for direct shipping of zinc

concentrates, and also reduces product stockpiles at the plant.

Since November 2015, the plant no longer performs lead-copper separation, and better metallurgical recovery rates are now being obtained from the bulk concentrate.

Chungar Camp



Jacob Timmers Shaft - Chungar



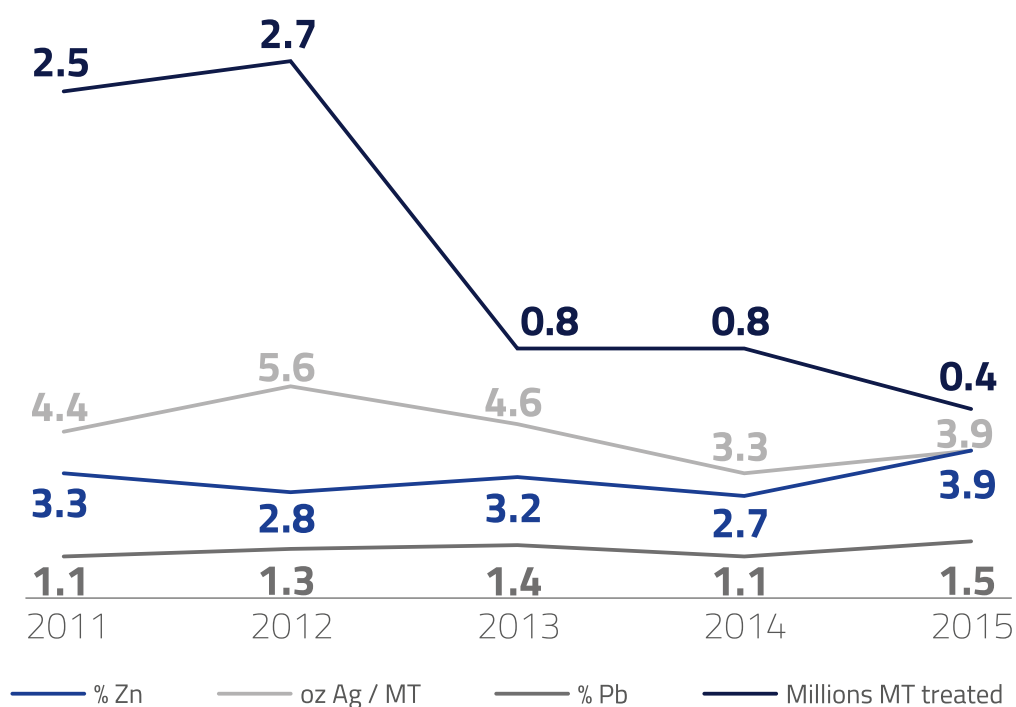
CERRO DE PASCO UNIT

The Cerro de Pasco unit is located in the Pasco Region approximately 295 kilometers from Lima and can be reached via the Central Highway.

During 2015, the processing of mineral reached 399,000 tons, with ore grades of 3.94% Zn, 1.52%

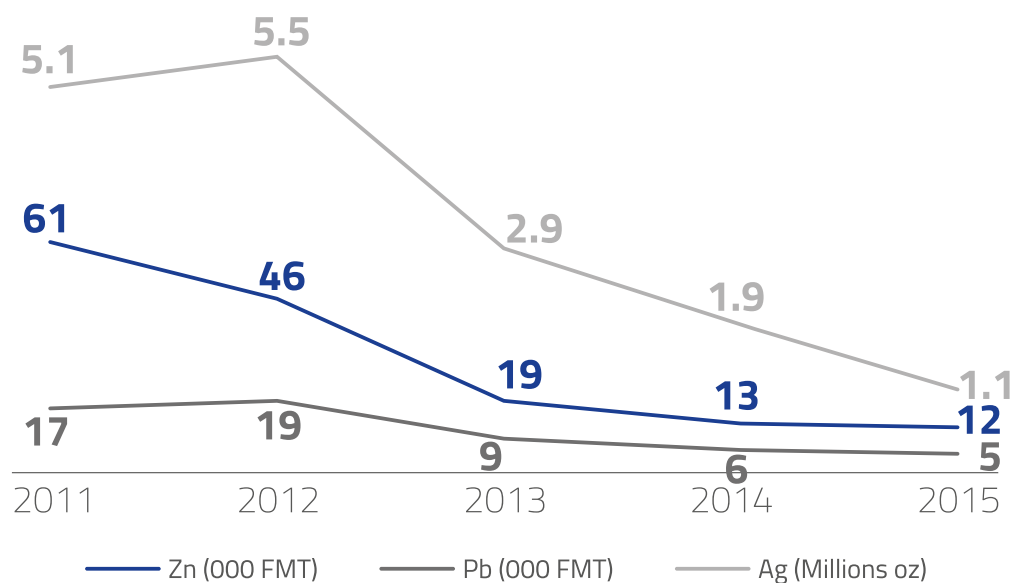
Pb, 0.05% Cu and 3.89 oz Ag/MT, including the ore from the underground mine, marginal ore from the Raúl Rojas open pit, and the minerals from Vinchos and Islay. In December 2015, underground mine operations were suspended, as was the processing of marginal ore from the open pit.

EVOLUTION OF TREATED TONNAGE AND AVERAGE GRADES - CERRO DE PASCO



In 2015, fines production totaled 12,300 tons of zinc, 4,900 tons of lead and 1.1 million ounces of silver.

EVOLUTION OF FINES PRODUCTION - CERRO DE PASCO



CERRO DE PASCO PRODUCTION, BY MINE

	Treated tonnage (000 MT)		Zn grade (%)		Pb grade (%)		Ag grade (oz / MT)	
	2014	2015	2014	2015	2014	2015	2014	2015
Paragsha Underground Mine	224	252	4.9	5.3	1.7	2.0	4.5	4.0
Tajo Raúl Rojas Marginals	274	35	2.0	2.1	0.6	0.6	1.1	1.3
Islay (Chungar)	184	111	1.4	1.5	0.6	0.6	4.8	4.5
Vinchos	90	0	2.4	1.3	1.7	1.2	4.4	3.9
Total Cerro de Pasco	771	399	2.7	3.9	1.1	1.5	3.3	3.9

MINES

Paragsha Underground Mine

In 2015, ore production came from mine sectors having higher ore grades and a greater volume of reserves. Due to the characteristics of the terrain, conventional semi-mechanized mining techniques were employed, including wood bracing and shoring as well as cemented hydraulic backfill. However, the underground mine is subject to ever-increasing deformation, which means that operations need to have greater operational safety. Therefore, mine operations are advancing more slowly and greater quantities of support features and materials are required.

Also, higher cement ratios were used in the cemented hydraulic backfill mix, making it possible to access the nearby operational areas in a shorter time (twelve days) and recover higher percentages of mineral reserves.

Moreover, as a result of the implementation of the energy efficiency program and better cost controls, the energy costs for mine ventilation, compressed air and water pumping were reduced.

Vinchos Mine

During 2015, there was no production of ore at the Vinchos mine. Operations are temporarily

suspended at this mine.

CONCENTRATOR PLANT

San Expedito/Paragsha Plants

CONCENTRATOR PLANT

Treatment San Expedito Plant (000 MT)	2014	2015
Treated tonnage	771	399
Zn Concentrate	29	27
Pb Concentrate	14	13

During 2015, the crusher, milling and filtering circuits at the Paragsha concentrator plant continued to be operational, as were the zinc circuit at the Paragsha plant and the lead circuit at the San Expedito plant.

The Paragsha and San Expedito plants operated during an average of fifteen days per month as a

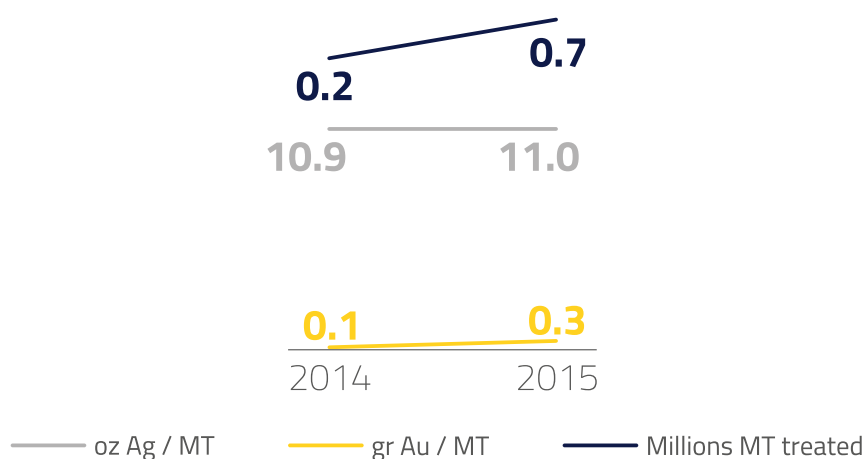
result of the lower volumes of ore production. Ore processing runs were based on type of ore. During the year, metallurgical tests were conducted and the zinc, lead, and silver head grades were improved, leading to higher metal recovery rates and greater volumes of concentrates.

ÓXIDOS DE PASCO UNIT

During 2015, 743,000 tons of stockpiled oxides were processed, having ore grades of 0.30 g Au/MT and 11.02 oz Ag/MT. This tonnage represented

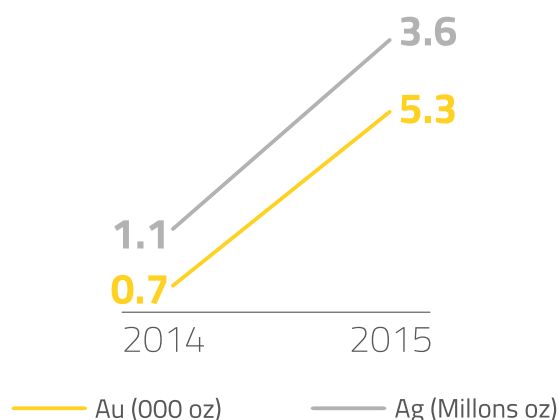
9% of Volcan's consolidated treated ore. It should be noted that the oxides plant started operating at 100% capacity in June 2015.

EVOLUTION OF TREATED TONNAGE AND AVERAGE GRADES - ÓXIDOS



During the year, silver fines production reached 3.7 million ounces and that of gold fines was 5,300 ounces.

EVOLUTION OF FINES PRODUCTION - ÓXIDOS



OXIDE PLANT

In 2015, the oxides plant started operating at 1,150 tpd and gradually reached levels of 2,500 tpd by the month of June. This oxides plant is Volcan's first leaching plant.

In March and June, two deep-cone thickeners were put into operation in order to attain maximum implemented capacity and improve the detox process.

Óxidos de Pasco Plant



ALPAMARCA UNIT

The Alpamarca unit is located in the Santa Bárbara area of Carhuacayán, Yauli Province, Junín Region, 182 kilometers east of Lima.

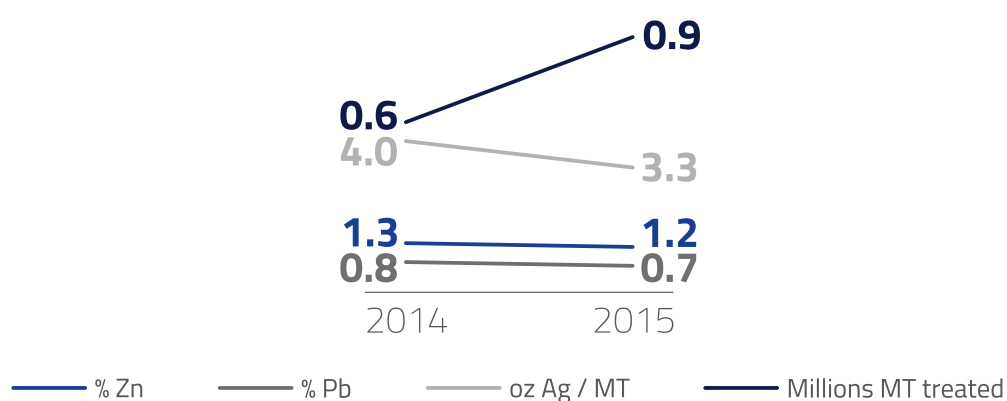
The Alpamarca plant, which began operations in April 2014, consists of the Río Pallanga underground mine, the Alpamarca open pit and the Alpamarca concentrator plant.

The installed capacity of the plant as designed is 2,500 tpd. During 2015, the processing of mineral from Alpamarca and Río Pallanga amounted to 879,000 tons, with average ore grades of 1.19% Zn, 0.72% Pb, and 3.29 oz Ag/MT. This tonnage represented 11% of Volcan's consolidated treated ore.

Alpamarca Open Pit - Alpamarca

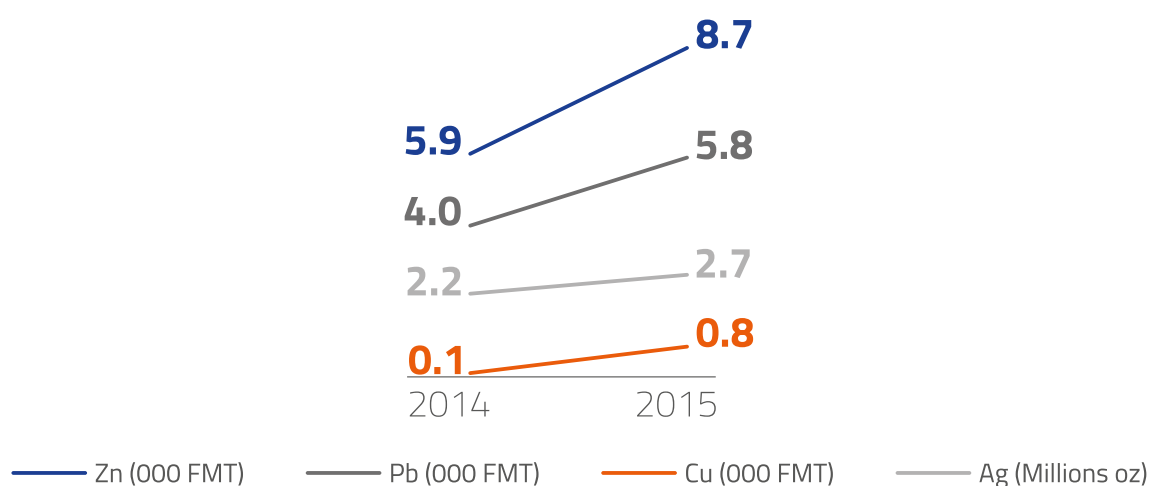


TREATED TONNAGE AND AVERAGE GRADES - ALPAMARCA



In 2015, fines production totaled 8,700 tons of zinc, 5,800 tons of lead, 800 tons of copper and 2.7 million ounces of silver fines in concentrate.

FINES PRODUCTION - ALPAMARCA



In 2015, a total of 879,000 tons of mineral were treated, including 735,000 tons from Alpamarca Mine and 144,000 from Río Pallanga underground mine.

ALPAMARCA PRODUCTION, BY MINE

	2015			
	Treated tonnage (000 MT)	Zn grade (%)	Pb grade (%)	Ag grade (oz / MT)
Río Pallanga	144	0.9	0.5	5.4
Alpamarca	735	1.3	0.8	2.9
Total Alpamarca	879	1.2	0.7	3.3

MINES

Río Pallanga Mine

In 2015, mine ore production was 146,000 tons with average ore grades of 0.79% Zn, 0.51% Pb, 0.22% Cu, and 5.47 oz Ag/MT.

During 2015, mine development totaled 3,075 meters, of which 2,165 meters correspond to

preparatory work for exploitation while 910 meters were in mine infrastructure development (horizontal drifts and ramps).

Alpamarca Mine

During 2015, ore production reached 713,000 tons with average ore grades of 1.30% Zn, 0.82% Pb, 0.10% Cu, and 2.88 oz Ag/MT. In order to

achieve this production level, 7.6 million tons of overburden was moved, resulting in an average stripping ratio of 10.6 for the year.

CONCENTRATOR PLANT

Alpamarca Plant

CONCENTRATOR PLANT

Treatment Alpamarca Plant (000 MT)	2014	2015
Treated tonnage	603	879
Zn Concentrate	11	15
Pb Concentrate	8	0
Cu Concentrate	1	0
Bulk Concentrate	0	12

In 2015, the Alpamarca concentrator plant processed 2,500 tpd of polymetallic ore. It should be noted that, starting this year, lead-copper separation was no longer performed, and bulk concentrates are being obtained with higher metallurgical recovery rates.

Improvements were made in the ore-sorting and crusher stages, and the milling stage was also improved and optimized. This led to better metallurgical results and a reduction in the use of reagents such as copper sulphate and cyanide.



Shuco



8. EXPLORATIONS AND GROWTH

During 2015, progress was made on implementing the growth strategy. The Company continued to develop its initiatives aimed at strengthening its competitive position as a leading global producer of zinc, silver and lead.

The Company's goal is to create value through growth supported by the geological wealth of its

holdings, excellence throughout the business value chain and diversification of its range of metals. In this sense, the Company's growth strategy has two fronts: organic growth through exploration, project development and expansion of operations, and inorganic growth through acquisitions or joint ventures⁶.



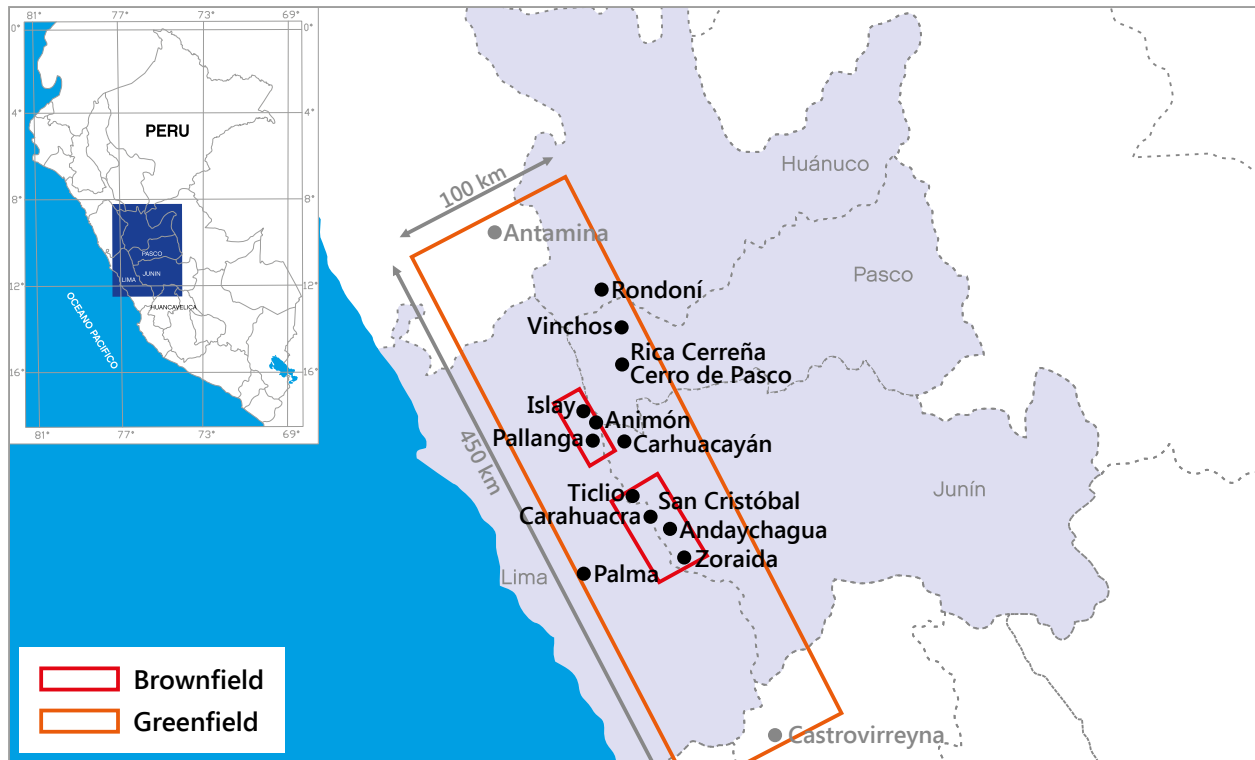
EXPLORATIONS

Greenfield Exploration

During 2015, following new strategic and operating criteria focus, the Company continued explorations in central Peru, in order to identify, evaluate and develop new transformational targets. Greenfield exploration is based on two key pillars:

- Generating new, transformational projects
- Post-discovery development of projects in the transformational or worthy categories

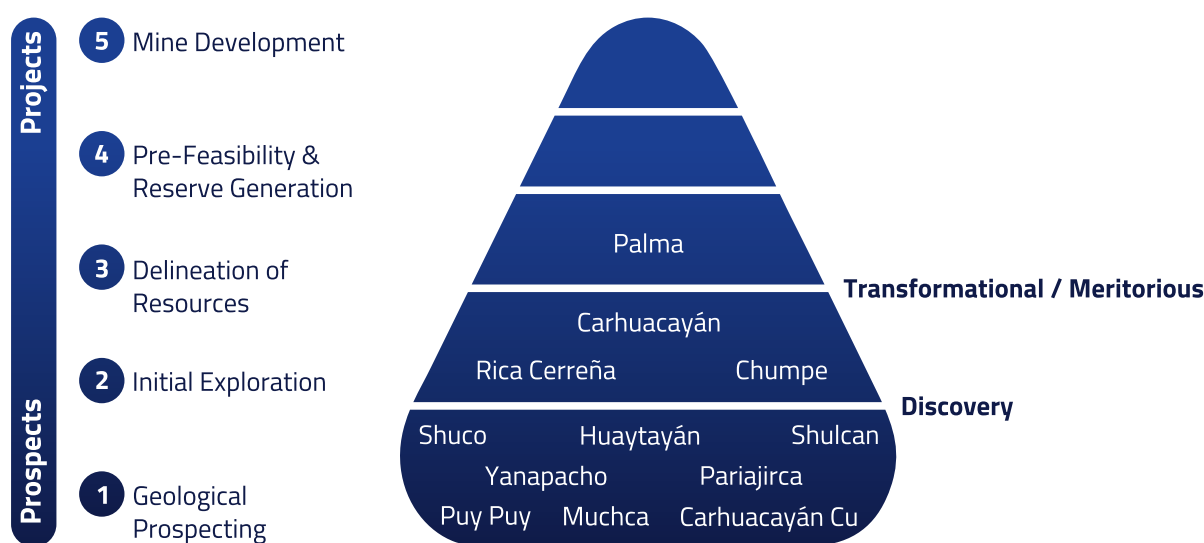
⁶ Joint ventures are long-term joint investment agreements involving two or more companies.



GENERATING NEW, TRANSFORMATIONAL PROJECTS

The aim is to generate zinc, lead and silver, as well as porphyry copper deposit prospects and develop transformational, worthwhile polymetallic projects focusing exploration on the central highlands of Peru. The priority for this work is the 323 thousands hectares of Volcan mining concessions and concentrate on an area of interest measuring 450 kilometers long and 100 kilometers wide.

At the close of 2015 we had identified the following prospects and they will be explored through projects in the coming years: Shuco, Huaytayán, Pariajirca, Shulcan and Yanapacho (polymetallic), as well as Pariajirca Cu, Puy Puy, Carhuacayán Cu and Muchca (Cu-Au).



POST-DISCOVERY DEVELOPMENT

In 2015, the Company's portfolio of projects was analyzed to prioritize the development of projects that meet the new criteria and are economically

viable. Those chosen include: Palma, Carhuacayán and Zoraida.

Palma

Located 60 kilometers southeast of Lima. Palma is a project aimed at extracting volcanogenic massive sulfides (VMS) distributed in mineralized layers of zinc, lead and silver.

The first stage of the project involved 17,000 meters of diamond drilling. Drilling enabled an estimate to be made of inferred

resources and recognition that the ore is structured in layers, with optimal potencies and good rock quality, with mineralization open at depth and laterally.

A conceptual study of the project was conducted, which confirmed that the zone in question meets the required conditions for developing a feasible

mining project, and that the continuation of exploration work is justified.

During 2015, a diamond drilling program was conducted totaling 7,486 meters in ten different bore holes, which were successful in confirming the presence of massive sulphide deposits along 2.5 km, and which also confirmed the continuity of the mineral deposits at depth.

Similarly, deep drilling intercepted a 5.1 meter-wide copper bearing layer which also had 1.18% Zn, 0.26% Pb, 1.17 oz Ag/MT and 1.30% Cu. These values have triggered considerable expectations of finding copper at depth. This finding supports the conceptual geological model that is presently being used for exploration. The results of

the successful exploration work conducted during 2015 suggest there is great mining potential for the Palma Project.

Finally, in September 2015 preliminary geological reconnaissance was performed at the Palmerón prospect, which is located 6 km southwest of Palma. The results indicated geological continuity of mineralization at Palma. The presence of oxides was recorded at the surface, with textures similar to those of Palma, as well as geochemical anomalies in zinc, copper and manganese, which are also typically found at Palma. The above suggests that the project's geological potential is even greater, with a 6-km horizon to be explored along the structure.

Carhuacayán

Situated 20 km east of Alparmarca, Carhuacayán is a polymetallic project of zinc, lead and silver located in a mountainous area. The mineralization is observed in veins, breccia bodies, and replacement layers.

In 2015 preliminary work began to develop the full potential of the project, defining targets for future diamond drilling. Drilling programs have

been defined for each of these targets, two of which show excellent promise of containing important polymetallic mineralization in terms both of volume and ore grades. These targets are: La Tapada (replacement deposits) and Candelaria (breccia bodies).

Rica Cerreña

Located in Cerro de Pasco, just west of the Raúl Rojas pit. Rica Cerreña is a porphyry copper prospect with gold that could become a transformational project, if the results of drilling are positive.

Volcan has implemented a plan to complete five diamond drilled boreholes in order to confirm the project's potential. This drilling program has been temporarily suspended due to the recent drop in international metal prices.

Chumpe

Chumpe is a porphyry copper prospect located in the Yauli Dome, 20 km southeast of Toromocho. It shares several characteristics with the Toromocho mega-project.

In the first half of 2015, specialized mineralogical mapping was completed, and the lithocap⁷ or "roof" of a probable porphyry deposit was identified. This lithocap extends over an area of around 1 km². Based on geometrical models of porphyry-

lithocaps in various parts of the world, it is expected that porphyry copper mineralization will be found at a depth of less than 500 m.

On the basis of the preliminary results, a four-borehole drilling program has been designed, with each borehole being advanced to a depth of 900-1000 meters. However, this project has also been temporarily halted because of the current low metal prices.

BROWNFIELD EXPLORATION

Zoraida (Yauli)

Located 7 kilometers south of Andaychagua (Yauli unit), Zoraida is mainly a silver project with lead and zinc content. Given its geological characteristics, it could become the third polymetallic system in the Yauli dome, along with San Cristóbal and Andaychagua.

After the identification of a system of veins running parallel to the Andaychagua vein (with lengths ranging from 2 to 3 km), geological mapping of the 5,600 hectares comprised in the project was completed in 2015, and new promising exploration targets were identified.

⁷ A lithocap is the top of a porphyritic system (porphyry Cu) where typically there is mineralization and acid and oxidizing epithermal alteration (with high sulphidation). The lower portions of the lithocap typically contain higher-temperature minerals, such as pyrophyllite, diaspore, andalusite and others.

DEVELOPMENT OF MINING PROJECTS

Development of mining projects refers to the different engineering studies carried out at projects with defined resources. These studies vary in precision and are used to define different development alternatives and assess the project

viability. During 2015, because of the adverse situation caused by the significant fall in metal prices, no major investments were made in engineering studies.

Oyama

Oyama is a deposit of copper with silver close to Andaychagua Mine in the Yauli unit.

This deposit could be exploited as an open pit in the short term due to its proximity to operations and the low level of stripping required. According to the evaluation, total reserves include 2.12 million tons with 0.94% Cu and 0.73 oz Ag/MT, with a stripping ratio of 2.4.

The mining plan indicates a total of five years of production at 1,500 tpd, with maximum production capacity beginning in the second year. The project is finally coming to the end of the permit stage, when it will be ready to begin production and contribute ore to the Yauli unit.

West Wall Polymetallic

There is a polymetallic project located in the west wall of the Raúl Rojas open pit at Cerro de Pasco.

During 2015, the following studies were undertaken: the slope stability study for the final pit design, the hydraulic simulation study to define the behavior of the water table and effluents, a chemical analysis to define the final water quality, and the design of the in-pit dump to optimize stripping costs.

Once those were completed, the technical-economic evaluation of the project was conducted, including preparation of the final design, mining plan and analysis of the project value with sensitivities.

Complementary studies will be continued to determine future development.

Pyrites *in situ*

Located in the west wall of the Raúl Rojas open pit at Cerro de Pasco, this project consists of an important body of pyrites with silver and copper ore.

Mineralogical studies and metallurgical tests have been performed to determine the best treatment of the mineralized material.

During 2015, no major studies were undertaken to provide additional details for this project.

Rondoní

Located in the district of Cayna in the Huánuco region, Rondoní is a *skarn*⁸ project with magnetite and pyrrhotite with copper mineralization.

The economic viability studies conducted in 2013 did not support the original open pit exploitation planned for the project.

However, the possibility of concentrating mining in the richest part of the skarn halo formed around the intrusion in a perimeter of almost 3,000 meters with widths of up to 20 meters offers significant potential for underground mining.

During 2015, because of the fall in international metal prices, the evaluation of underground mining at Rondoní was temporarily suspended.

In 2016 a study is planned to define the characteristics and viability of developing an underground mining project in the high-grade areas of the skarn, taking advantage of its morphology and vertical continuity.

8 A skarn is coarse-grained rock with abundant calcium silicates like garnet and amphiboles commonly formed by the reaction between plutonic rock and carbonated rock such as limestone. Skarns are important because the mineralization within them can develop as at Antamina, or because these may be closely related to copper porphyries as at Toromocho.

CURRENT OPERATIONS

EXPLORATIONS AT THE YAULI UNIT

The exploration campaign conducted during 2015 focused on developing the value chain of the mineral resources, with an emphasis on brownfield exploration, definition of mineral potential and delineation of inferred and measured/indicated resources.

The brownfield exploration work was conducted mainly to complete the geological re-mapping of the veins that outcrop in the mining district, and of the structural alignments and their correlation with the veins that have been identified and developed in the underground mines. This work has made it possible to reinterpret the mining district's geological-structural model and to define new exploration and drilling targets.

During 2015, in line with the proposed exploration strategy, 25,785 meters of diamond drilling was carried out, distributed as follows: 1,534 meters aimed at detecting potential resources; 12,357 meters to delineate inferred resources; and 11,895 meters aimed at upgrading the inferred resources

into measured/indicated resources in the San Cristóbal, Andaychagua, Carahuacra and Ticlio mines (see Table below).

The results were favorable, and high levels of polymetallic and silver mineralization were intercepted, confirming the lateral continuity as well as the at-depth continuity of the resources in the principal structures, and also identifying new resources in new mineralized structures such as the Escondida stratum and the Prosperidad Este mineral vein, as well as the existence of the significant potential resources which year after year we have been transforming into proven resources. The results obtained provide a sound basis for continuing the exploration program planned for the year 2016.

During August 2015, and as a result of the fall in metal prices, the diamond drilling program aimed at delimiting known resources as well as the infill drilling at the San Cristóbal and Carahuacra mines were temporarily suspended.

DRILLING AT YAULI

Mine	Drilled meters 2015			TOTAL (m)
	Potential (m)	Resources (m)	Infill Drilling (m)	
San Cristóbal	1,534	2,495	856	4,885
Andaychagua	0	7,801	5,868	13,669
Ticlio	0	716	4,627	5,343
Carahuacra	0	1,345	543	1,888
Total	1,534	12,357	11,895	25,785

San Cristóbal Mine

The program aimed at delimiting new inferred resources included 2,495 meters of diamond drilling distributed in ten different boreholes that mostly targeted the Escondida deposit. The results were favorable, and new inferred resources were estimated between levels 500 and 580 (elevations 4,460 masl and 4,540 masl), based on a 70 x 70 meter drilling grid.

The infill-drilling program conducted for the purpose of transforming inferred resources into measured/indicated resources was aimed principally at veins 658 and Split 658; 856 meters of diamond drilling (distributed in nine boreholes) were carried out from inside the mine. The results

were favorable and important polymetallic Zn-Pb mineralization was intercepted; moreover, the boreholes also intercepted tensional veins and splits bearing significant polymetallic mineralization and silver.

The exploratory drilling at San Cristóbal has been focusing on reinterpreting the structural controls and on geological re-mapping. New potential targets have been defined along the Mitchell and San Cristóbal south-west veins, and 1,534 meters have been drilled (distributed in two diamond-drill boreholes), which showed positive results in terms of polymetallic mineralization and commercial grades of silver.

Andaychagua Mine

In 2015, as part of the inferred-resources delineation program, a total of 7,801 meters of diamond drilling was completed over 20 boreholes. The main objective of said drilling was to raise the certainty level of the Prosperidad Este veins (below level 1100) and of the Split Techo vein (150 meters below level 1150) to the category of inferred resources. The results have been very positive, and important widths and grades of polymetallic mineralization have been defined – mainly zinc – which have increased the mine's new inferred resources; these boreholes

also intercepted the Techo Andaychagua, Piso Andaychagua, Split Prosperidad, Marty and Tensionales veins, all of which showed commercial-grade mineralization.

37 boreholes totaling 5,868 meters were drilled as part of the infill-drilling program aimed at elevating the status of resources from inferred to measured/indicated in the Prosperidad Este vein (200 meters below level 1100) and the Andaychagua vein (150 meters below level 1200). The results were positive.

Carahuacra Mine

As part of the program being conducted to delineate inferred resources, 1,345 meters of diamond drilling was completed in three boreholes over the Mary ore vein (between levels 1070 and 1370). Positive results were obtained in terms of zinc and silver ore grades. The boreholes also intercepted the Tensional and Ramal Mary veins, with positive results in terms of polymetallic mineralization and silver.

The infill-drilling program being conducted to

elevate the status of resources from inferred to measured/indicated focused mainly on the Mary ore vein, with 543 meters of diamond drilling being completed from inside the mine, distributed in four boreholes below level 1170; good results were obtained in terms of polymetallic mineralization.

Both the inferred resources delineation program and the infill-drilling campaign have been halted, in view of the low international metal prices.

Ticlio Mine

In 2015, 716 meters of diamond drilling was completed, distributed in three boreholes drilled from inside the mine. These boreholes were aimed at intercepting the Ramal Techo vein for the purpose of delineating new inferred resources 150 meters below level 10, resulting in the interception of important polymetallic mineralization and silver. The boreholes also intercepted the Principal, Liliana and Tensional 570 veins, producing evidence of significant polymetallic mineralization. This drilling program was halted in March due to low international metal prices.

Also, 4,627 meters of infill-drilling were completed, distributed in 25 boreholes drilled from inside the mine in the direction of the Ramal Techo vein between levels 10 and 11, with a view to upgrading the status of inferred resources to measured/indicated resources. The results were favorable, and commercial mineralization was also intercepted in the Principal and Liliana veins and mineral body 570.

Alpamarca Plant



Islay Mine - Chungar



EXPLORATIONS IN THE CHUNGAR UNIT

The exploration campaign conducted in 2015 focused on developing the value chain of the mineral resources, with an emphasis on brownfield exploration, definition of mineral potential and delineation of inferred and measured/indicated resources.

Brownfield exploration work was carried out to re-map the ore veins that outcrop in the district, as well as the structural alignments and their correlation with the veins that have been identified underground. This has made it possible to reinterpret the district's geologic/structural model and to define new exploration targets containing potential resources.

In all, 57,405 meters of diamond drilling have been completed, distributed as follows: 9,795 meters to detect potential resources; 28,922 meters to delineate inferred resources; and 18,688 meters drilled to raise the certainty level of inferred resources to measured/indicated at both mines (Animón and Islay). The results have been favorable, making it possible to confirm the continuity of the mineralized bodies in terms both of depth and direction, and to define new mineral bodies and discover new ore veins.

DRILLING AT CHUNGAR

Mine	Drilled meters 2015			
	Potential (m)	Resources (m)	Infill Drilling (m)	TOTAL (m)
Animón	6,099	15,257	14,247	35,602
Islay	3,697	13,665	4,441	21,803
Total	9,795	28,922	18,688	57,405

Animón Mine

The inferred resources delineation program has comprised 15,257 meters of diamond drilling distributed in 82 boreholes that were mainly focused on the Andalucía 120, Ofelia Piso, Janeth, Principal and Gisela veins, generally below the mineral bodies already identified and their lateral extensions. The results have been positive in terms of identifying new polymetallic mineralization with significant grades of lead and silver in the Janeth and Gisela veins.

The infill-drilling program conducted to elevate the rating of inferred resources to measured/indicated resources, was aimed at the Andalucía 120, Ramal Piso 3 Principal, Janeth and Karina 1 ore veins. A

total of 14,247 meters of diamond drilling was completed, over 82 boreholes. The borehole results have confirmed the existence of commercial-grade mineralization of zinc, lead and silver.

The exploration efforts for potential resources at Animón focused on reinterpreting the structural controls. This has made it possible to define new potential targets, and also to determine the depth and direction of the Andalucía 120, Ramal Piso 3 Principal, Andalucía and Gisela veins and the southern alignment as well as Janeth, Janeth Techo and Principal. In all, 9 boreholes were drilled for a total of 6,099 meters.

Islay Mine

As part of the 2015 inferred-resources delineation campaign, 13,665 meters of diamond drilling was completed distributed over 63 boreholes, whose purpose was primarily to upgrade the potential resources of the South vein to the category of inferred resources and, in second place, to explore the southern limits of the Islay Piso and Lizeth ore veins. The results have been very favorable, leading to a considerable increase of the mineral resources.

As part of the infill-drilling program, 27 boreholes were drilled for a total of 4,441 meters, whose purpose was to increase the rating of inferred resources to measured/indicated resources in the South, Islay Piso and Lizbeth ore veins, and positive results were obtained in terms of mineralization, mainly silver.

As part of the exploration effort for potential resources, a total of 3,697 meters were diamond-drilled over seven boreholes with a view to verifying the continuity of the South Vein towards the north, determining the extent of Manto Anita towards the far south, and exploring the Quimacocha system. The results have been positive at Manto Anita Sur as the commercial mineralization has been extended by 400 meters, with good ore grades in silver. At the Ángela ore vein, the results were favorable and polymetallic mineralization was intercepted. We should point out that exploration towards the east of the Islay Piso ore vein led to the discovery of two new veins: Alicia and Ángela.

EXPLORATIONS IN THE ALPAMARCA UNIT

Local exploration efforts focused mainly on advancing the potential resources program at the Tirol ore vein in the Río Pallanga mine, and of the Alpamarca vein below the extreme limits of the Alpamarca pit resource cone, as well as to upgrade the classification of potential resources of the Tirol vein to inferred resources. The infill-drilling efforts were mainly concentrated on the San José and Ramal 1 veins of the Río Pallanga mine,

for the purpose of providing more support for operations.

In all, 12,430 meters of diamond drilling was completed, distributed as follows: 4,165 meters drilled to detect potential resources; 5,466 meters to delineate inferred resources; and 2,799 meters of infill-drilling.

DRILLING AT ALPAMARCA

Mine	Drilled meters 2015			
	Potential (m)	Resources (m)	Infill Drilling (m)	TOTAL (m)
Alpamarca	1,142	0	0	1,142
Río Pallanga	3,023	5,466	2,799	11,288
Total	4,165	5,466	2,799	12,430

Río Pallanga Mine

In 2015, explorations were mainly concentrated on the Río Pallanga mine. The potential resources delineation program focused on delimiting the mineralized body of the Tirol ore vein and on verifying the possible extent, towards the far south, of the San José ore vein. The results were positive for the Tirol vein, and a mineralized structure has been delimited whose dimensions are 600 meters in length and 120 meters in depth. In all, 11 diamond-drilled boreholes were completed, for a total of 3,023 meters.

The inferred resources delineation program focused on upgrading the classification of the Tirol vein from potential resources to inferred resources.

A total of 5,466 meters of diamond drilling was completed, distributed in 17 boreholes drilled from the surface. The results have been positive in terms of silver mineralization with levels of lead and zinc as byproducts.

Additionally, infill-drilling of the San José ore vein was completed below level 4520, and 2,799 meters of diamond drilling was completed over 15 boreholes placed on a 30-meter (on-average) grid pattern, to provide greater certainty regarding the inferred resources. The results confirmed the mineralization indicated by the boreholes drilled to delineate the resources.

Alpamarca Mine

In the drilling program aimed at evaluating potential resources, 1,142 meters of diamond drilling was completed over four boreholes. The objective of exploring the continuity of the commercial mineralization towards the northeastern end of the Alpamarca pit was discarded, as an exploratory borehole produced negative results.

Three boreholes were completed to determine the depth of the Alpamarca ore vein's commercial mineralization below the pit. The results from the first borehole confirmed the continuity of the vein, with very good silver mineralization and presence of lead and zinc. We are waiting for results from the second borehole.

INORGANIC GROWTH – ACQUISITIONS AND JOINT VENTURES

Inorganic growth, through prioritizing activities in the central highlands, continues to be a potential path for growth. In 2015, the Company continued to evaluate opportunities for acquiring projects and mining operations that are aligned with its strategy.

Acquisitions are evaluated with the goal of maintaining Volcan's leadership in zinc, lead and silver production. The priorities for the Company are opportunities in the area of influence and the existence of competitive advantages that will support the development of synergies through the addition of these assets.



Antacucuche View - Alpamarca

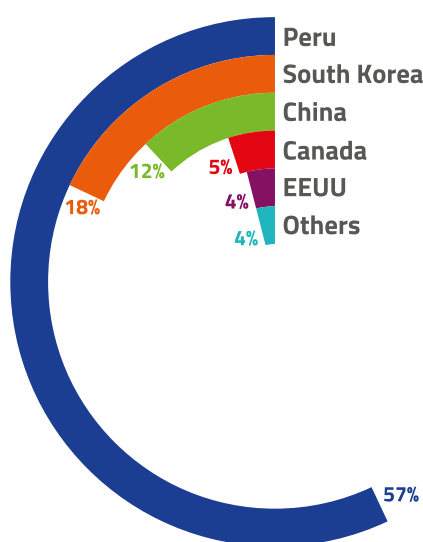


9. BUSINESS MANAGEMENT

The concentrates market remained dynamic but with the same level of treatment charges as in 2014. The situation changed for zinc concentrates, however, after not only the anticipated production cuts for the year but also similar levels of additional cuts as a result of the low metal prices. This led treatment charges to fall to around 200 USD/MT of concentrate to place below 160 USD/MT of concentrate towards year-end. The Company's diversification policy enabled this improvement to be capitalized as part of the sales for the year and with a view to the first months of 2016.

As part of the diversification process to optimize commercial conditions, there was a close and careful coordination of the operational areas in 2015 with the goal of finding the most appropriate market for each Company's product. So much so that additional benefits were achieved in terms of incorporating new payable metals and in reducing discounts by serving markets that were more receptive to the qualities produced by the Company.

**SALES BY DESTINATION
(PERCENTAGE OF VALUE IN USD)**



Total concentrate sales volume fell by 10.8%, mainly due to a 56.1% decrease in third-party concentrates, in line with Company strategy. Meanwhile, the volume of Volcan concentrates rose 5.5%, in large part because of the higher volume of lead concentrates sales (4.3%).

CONCENTRATE SALES VOLUME BY BUSINESS

Thousands DMT		2014	2015	Var. %
Mining Business	Zinc	519.8	543.7	4.6
	Lead	101.5	97.9	-3.6
	Copper	14.9	14.1	-5.5
	Silver Bulk	0.0	12.3	
		636.3	668.0	5.0
Commercialization Business	Zinc	184.7	88.9	-51.9
	Lead	15.9	3.2	-79.6
	Copper	29.2	8.7	-70.3
		229.8	100.8	-56.1
Total	Zinc	704.5	632.6	-10.2
	Lead	117.4	101.1	-13.9
	Copper	44.1	22.8	-48.4
	Silver Bulk	0.0	12.3	
		866.0	768.9	-11.2

FINES SALES VOLUME BY BUSINESS

Fine Sales		2014	2015	Var. %
Mining Business	Zinc (thousands FMT)	282.4	296.3	4.9
	Lead (thousands FMT)	54.6	57.2	4.9
	Copper (thousands FMT)	3.3	4.0	19.6
	Silver (million Oz)	21.3	25.2	18.2
	Gold (thousands Oz)	13.1	12.7	-3.5
Commercialization Business	Zinc (thousands FMT)	98.3	48.5	-50.7
	Lead (thousands FMT)	9.2	1.9	-79.0
	Copper (thousands FMT)	6.5	2.1	-67.7
	Silver (million Oz)	4.5	1.4	-68.3
	Gold (thousands Oz)	0.1	0.6	399.5
Total	Zinc (thousands FMT)	380.6	344.8	-9.4
	Lead (thousands FMT)	63.8	59.2	-7.2
	Copper (thousands FMT)	9.8	6.1	-38.1
	Silver (million Oz)	25.8	26.6	3.1
	Gold (thousands Oz)	13.3	13.3	0.4

The average sales price of zinc fell from 2,143 USD/MT in 2014 to 1,917 USD/MT in 2015 (-10.5%), that of lead from 2,103 USD/MT to 1,782 USD/MT (-15.3%) and that of silver from 19.1 USD/oz to 15.6 USD/oz (-18.3%). This significant fall in metal prices - a five-year low - and the decreased volume of third-party concentrate sales explain the 19.8% reduction in sales before adjustments from USD 1.057 billion in 2014 to USD 847.5 million in 2015.

In 2015, the Company recorded negative adjustments to sales for final settlements of USD -37.5 million and for provisions for open positions of USD -4.6 million. The hedging results led to a positive adjustment totaling USD 0.3 million in 2015 versus a positive adjustment of USD 15.1 million in 2014. Thus 2015 net sales were USD 797.1 million, 23.5% lower than the USD 1.042 billion of net sales for 2014.

SALES PRICES BY METAL

Sale Prices	2014	2015	Var. %
Zinc (USD/MT)	2,143	1,917	-10.5
Lead (USD/MT)	2,103	1,782	-15.3
Copper (USD/MT)	6,837	5,426	-20.6
Silver (USD/Oz)	19.1	15.6	-18.1

Alpamarca Plant





Huaroncocha Lagoon



10. ANALYSIS OF RESULTS AND INVESTMENTS

SALES

NET SALES BREAKDOWN

Sales (Millions USD)		2014	2015	Var. %
Mining Business	Zinc	395.8	348.3	-12.0
	Lead	79.9	62.5	-21.7
	Copper	8.8	10.1	14.5
	Silver	309.7	315.4	1.8
	Gold	9.6	9.9	3.1
	Total	803.8	746.5	-7.1
	Adjustments ¹	-22.1	-40.0	81.0
	Net Sales	781.7	706.5	-9.6
Commercialization Business	Zinc	144.8	64.7	-55.3
	Lead	15.3	2.4	-84.2
	Copper	28.6	7.6	-73.5
	Silver	64.4	14.9	-76.8
	Gold	0.0	0.2	707.2
	Total	253.1	89.8	-64.5
	Adjustments ¹	7.6	-1.8	
	Net Sales	260.6	88.1	-66.2
Total	Zinc	540.6	413.0	-23.6
	Lead	95.2	65.0	-31.7
	Copper	37.4	17.7	-52.7
	Silver	374.1	330.3	-11.7
	Gold	9.6	10.1	5.2
	Total	1,056.9	836.3	-20.9
	Adjustments ¹	-14.5	-41.8	188.2
	Net Sales	1,042.4	794.5	-23.8

¹ Adjustments: i) settlement of prior period adjustments, ii) adjustments for open positions (embedded derivative and sales adjustments), iii) hedging results

COSTS

During 2015, the Company made great efforts to reduce operational production costs. The reductions are the result of the continuous improvement system implemented in 2013 with the goal of achieving operating efficiencies, reducing the cost of supplies, optimizing the scope and cost of services contracts, decreasing personnel costs, achieving energy savings etc. The local currency devaluation and the decrease in the price of oil also favored reductions in production costs.

As a result, lower mining costs at Yauli and Alpamarca caused the consolidated unit cost to fall 15.9% from 63.9 USD/TM in 2014 to 53.7 USD/TM in 2015.

In absolute terms, the cost of production fell by 6.8%, from USD 443.1 million in 2014 to USD 412.8 million in 2015, even though the volume produced increased.

ABSOLUTE COSTS (MILLION USD)

Unit	2014	2015	Var. %
Yauli	250.7	235.4	-6.1
Chungar	110.0	94.8	-13.8
Cerro	47.3	32.5	-31.2
Óxidos	0.0	20.1	
Alpamarca	28.0	28.8	2.8
Vinchos	4.4	0.0	-100.0
Transport*	2.7	1.2	-56.0
Consolidated	443.1	412.8	-6.8

*Corresponds to the transport cost of intercompany ore.

UNIT COST (USD/MT)

Unit	2014	2015	Var. %
Yauli	66.1	58.6	-11.4
Chungar	53.6	48.1	-10.1
Cerro**	99.6	97.4	-2.2
Óxidos	0.0	39.1	
Alpamarca	47.6	33.2	-30.3
Vinchos	49.0	0.0	-100.0
Consolidated**	63.9	53.7	-16.0

** The reported cost of production is the cost of production itself, which does not include the cost of buying ore concentrates and third parties, nor those extra costs from the liquidation of staff.

In 2015, the cost of sales was USD 661.7 million, 0.2% lower than the 2014 cost of USD 865.7 million. This reduction is due to the lower volume of concentrates purchased from third parties at USD 167.4 million and the lower cost of production of USD 30.3 million.

COST OF GOODS SOLD BREAKDOWN

Cost of Goods Sold (millions USD)*	2014	2015	Var. %
Volcan's Cost of Goods Sold	604.3	575.7	-4.7
Own Cost of Production	443.1	412.8	-6.8
D&A of Cost of Production	152.4	155.3	1.9
Ore Purchase	5.3	0.0	-100.0
Extraordinary Costs	2.1	3.5	63.8
Own Inventories Change	1.2	4.2	233.7
Third-party Cost of Goods Sold	254.7	82.3	-67.7
Concentrates Purchase	248.9	81.5	-67.3
Thirds Inventories Change	5.7	0.8	-85.2
Workers Participation	6.7	3.7	-45.2
Total	865.7	661.7	-23.6

*Cost of Goods Sold detail does not consider the effect from exceptionals.

INVESTMENTS

In 2015, Volcan's investments totaled USD 173.9 million, 52.7% lower than the previous year (USD 368 million). It is important to emphasize that in an environment of low metal prices, priority was given to those investments necessary for the continuation of operations. Therefore the sum invested in operating units fell by 34.0%, from USD 179.7 million in 2014 to USD 118.6 million in 2015, in regional operations (greenfield or early stage) reduced 46.2%, from USD 7.7 million in 2014 to

USD 4.1 million in 2015, and investment in mining growth decreased 84.1%, from USD 157.0 million in 2014 to USD 24.9 million in 2015, which is mainly explained by the completion of the oxide plant.

In the case of energy, annual investment increased from USD 23.4 million in 2014 to USD 26.2 million this year. This is due to progress with the construction of the Rucuy hydroelectric plant, which was 80% complete as of December 2015

INVESTMENT BREAKDOWN

Consolidated Investments (MM USD)	2014	2015	Var. %
Mining Business	344.4	147.6	-57.1
Mining Units	179.7	118.6	-34.0
Local Exploration	13.0	8.5	-34.6
Development	57.8	51.8	-10.4
Plants and Trailings Facilities	50.1	28.3	-43.6
Mine and Infraestructure	37.8	22.3	-40.9
Energy in Units	6.9	2.4	-65.0
Support and Others	14.0	5.2	-62.6
Regional Explorations	7.7	4.1	-46.2
Growth and Others	157.0	24.9	-84.1
Energy Business	23.4	26.2	12.2
Total	367.8	173.9	-52.7

PROFITABILITY

The Company's financial results have been affected by the ongoing fall in metal prices of recent years, which reached a 5-year low in 2015.

Gross margin was 17%, similar to that of 2014, because lower production costs and decreased third-party concentrate sales, which have a lower relative margin, offset the 10.5% fall in the price of zinc and the 18.1% fall in the price of silver

In 2015 the Company reduced administrative expenses by 18.2% from USD 54.5 million in 2014 to USD 44.6 million in 2015, due to cost reduction measures and decreased distribution of profits on lower margins.

Meanwhile, sales expenses decreased 12.3% from USD 49.0 million in 2014 to USD 43.0 million in 2015, due to decreased participation in third-party concentrate sales.

Net financial expenses increased 54.9% from USD 23.0 million in 2014 to USD 35.6 million in 2015. This is mainly because from May 2015, 100% of interest expense related to international bonds is reflected in the statement of income. Prior to that date, some of the interest was capitalized as part of the investment in the oxide plant.

Losses due to exchange rate fluctuations totaled USD -9.2 million in 2015, whereas exchange rate gains of USD 2.1 million were recorded in 2014. This was caused by the impact of local currency devaluation on recoverable tax.

As a consequence of the foregoing, EBITDA in 2015 was USD 225.3 million, 9.7% lower than EBITDA of USD 249.4 million in 2014. Volcan's net profits prior to exceptional items were USD 16.2 million, a decline of 67.2% from the previous year (USD 49.4 million).

Because of the difficult situation with regard to prices, in line with international accounting standards (IAS 36), the Company recorded a one-off, exceptional charge related to the impairment of intangible fixed assets and inventories at its operating units. Impairment is a deterioration in the value of long-lived assets, when there is no indication that this can be recovered through its sale or its present value of future flows. Impairments and other exceptional accounting adjustments amounted to USD -648.7 million. After deferred income tax, the net effect of these

exceptional charges on the statement of income was USD -470.1 million. Thus the net profit after exceptional charges was USD -453.9 million in 2015, lower than the USD 56.8 million recorded in 2014.

The exceptional charges did not have any effect on the Company's cash flow. Furthermore, in the case of the impairment of intangible fixed assets and inventories at the operating units, this could be reversed in the future should there be a significant increase in metal prices.

INCOME STATEMENT

Income Statement (MM USD)	Mining Business			Third-party Concentrates Commercialization Business			Consolidated		
	2014	2015	Var. %	2014	2015	Var. %	2014	2015	Var. %
Sales	781.7	706.5	-9.6	260.6	88.1	-66.2	1,042.4	794.5	-23.8
<i>Net sales</i>	803.8	746.5	-7.1	253.0	89.8	-64.5	1,056.9	836.3	-20.9
<i>Settlements of prior periods adj.</i>	-22.1	-32.0	44.7	-4.8	-5.5	16.0	-26.9	-37.5	39.6
<i>Adj. open positions and emb.deriv.</i>	-2.4	-4.3	77.4	-0.3	-0.2	-15.3	-2.7	-4.6	68.5
<i>Hedging</i>	2.4	-3.7		12.7	4.0	-68.4	15.1	0.3	-98.0
Cost of Goods Sold	-610.6	-578.7	-5.2	-255.0	-83.0	-67.5	-865.7	-661.7	-23.6
<i>Direct Cost of Goods Sold</i>	-602.2	-572.3	-5.0	-254.7	-82.3	-67.7	-856.8	-654.6	-23.6
<i>Extraordinary Costs</i>	-2.1	-3.5	63.8				-2.1	-3.5	63.8
<i>Workers Participation</i>	-6.3	-3.0	-52.8	-0.4	-0.7	86.7	-6.7	-3.7	-45.2
Gross Profit	171.1	127.7	-25.3	5.6	5.1	-9.9	176.7	132.8	-24.9
<i>Gross Margin</i>	22%	18%	-4 pp	2%	6%	4 pp	17%	17%	0 pp
Administrative Expenses	-52.4	-43.9	-16.3	-2.1	-0.7	-65.4	-54.5	-44.6	-18.2
Sales Expenses	-40.7	-40.0	-1.7	-8.4	-3.0	-64.0	-49.0	-43.0	-12.3
Other Income (Expenses) ¹	10.7	17.0	59.1				10.7	17.0	59.1
Operating Profit	88.7	60.8	-31.4	-4.9	1.3		83.8	62.1	-25.8
<i>Operating Margin</i>	11%	9%	-3 pp	-2%	1%	3 pp	8%	8%	0 pp
Financial income (Expenses)	-20.5	-44.5	116.5	-0.3	-0.3	16.6	-20.8	-44.8	115.1
Royalties	-12.9	-11.1	-14.2	-1.8	-0.9	-50.1	-14.7	-11.9	-18.5
Income Tax	-1.0	10.8		2.1	0.0		1.1	10.8	923.8
Net Profit without Exceptionals	54.2	16.1	-70.2	-4.9	0.1		49.4	16.2	-67.2
<i>Net Margin</i>	7%	2%	-5 pp	-2%	0%	2 pp	5%	2%	-3 pp
Exceptional Profit (net) ²	7.5	-470.1		0.0	0.0		7.5	-470.1	
Net Profit	61.7	-454.0		-4.9	0.1		56.8	-453.9	
EBITDA³	254.3	224.0	-11.9	-4.9	1.3		249.4	225.3	-9.7
<i>EBITDA Margin</i>	33%	32%	-1 pp	-2%	1%	3 pp	24%	28%	4 pp

¹ Includes energy division sales and cost of sales.

² The figures do not reflect the exceptional income in 2014 related to the sale of the Belo Horizonte hydroelectric project, and in 2015, figures do not include the devaluation of assets, intangibles and inventory.

³ EBITDA does not consider exceptional results.

LIQUIDITY AND SOLVENCY

In 2015 Volcan generated USD 251 million in operating cash flow. Disbursements for operations and explorations investment totaled USD 172 million, while investments in energy amounted to USD 34 million. As a result, cash flow after investments was USD 45 million. Net financing for the period was USD -28 million, including the financing of Rucuy

and interest and dividend payments. Therefore, the cash balance as of December 31, 2015 was USD 192 million.

Considering current debt levels and based on total EBITDA for the last 12 months, Volcan's leverage ratio (financial debt/EBITDA) as of year-end 2015 was 2.8.



Baños II



11. ENERGY

A quality, reliable energy supply is vital to the operation and development of mining projects. Volcan has opted to invest in its own hydroelectric generation and electricity transmission system in order to reduce costs and ensure greater availability of energy for its mining units.

In 2015, the Volcan group consumed 654 GWh of electricity with a maximum power demand of 88 MW, which is similar to its consumption in 2014.

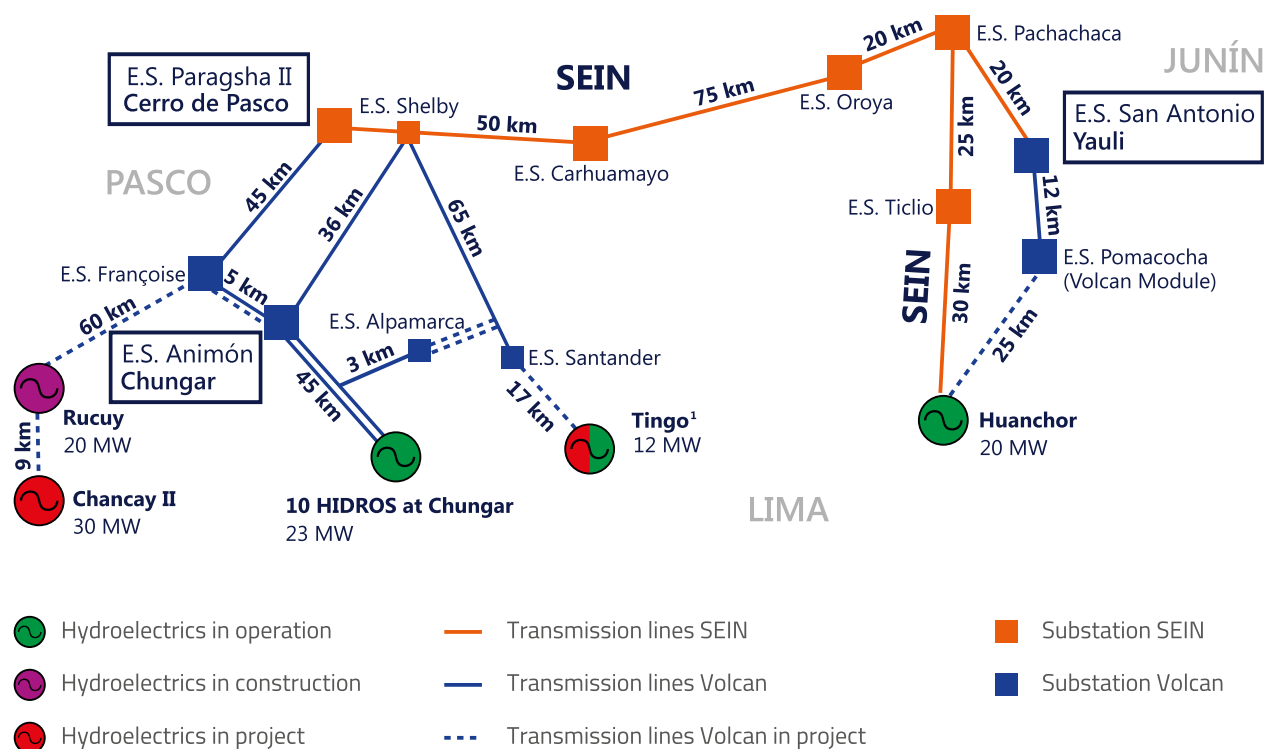
The Company currently has twelve hydroelectric plants (ten at Chungar, one at Tingo and another at Huanchor), with 43 MW of installed capacity. In 2015, the Company supplied 26% of its own electricity demand. The remainder was supplied by Electroperú S.A. via the National Interconnected System (SEIN), with which Volcan has a contract until December 31, 2017.

Empresa Administradora Chungar S.A.C. generated 161 GWh at its 10 hydroelectric plants with a total installed capacity of 22 MW; all of the energy generated was used in this unit's operations.

The Compañía Hidroeléctrica Tingo owns a 1.25 MW power plant and 82 km of 50 kV and 22.9 kV transmission lines. There is a project to extend this existing plant to 8.8 MW.

Meanwhile, Hidroeléctrica Huanchor S.A.C., a subsidiary of Volcan, has a plant with 19.63 MW of installed capacity. During 2015, the plant produced 146 GWh, 4% less than in 2014. This is because of significant maintenance work on the Group N°2 generator, which took 30 days.

VOLCAN ELECTRIC SYSTEM



¹ Tingo Hydroelectric Plant with 1.25 MW currently operating and 10 MW amplification project



Huanchor is part of the Economic Operation Committee of the National Interconnected System (COES-SINAC) and supplied electricity to eight clients (three mining companies and five electricity distributors) through contracts in 2015.

In 2015, the unit cost of energy was 5.2 USD/MT of processed ore. In absolute terms, this was equivalent to an annual energy cost of USD 41 million, or 9% of the Volcan group's total operating costs.

Finally, it is important to mention that in 2015 99.86% availability was recorded for the Yauli electricity system and 99.99% for the Chungar-Alpamarca electricity system, excluding preventative maintenance work. This indicator reflects the degree of continuity of electricity supply to the operations because the closer it is to 100%, the lower the number of power outages that have occurred and the greater the availability has been.

HYDROELECTRIC PROJECTS

RUCUY AND CHANCAY II HYDROELECTRIC PLANTS

The C.H. Rucuy project in the Chancay Huaral river basin (Lima) will have an installed capacity of 20 MW. Total investment is estimated to be USD 48 million.

The future Rucuy power plant will initially sell energy through the National Interconnected System (SEIN) coastal grid and in the future is expected to inject power at the Françoise 220-kV substation along with other hydroelectric plants in the portfolio.

Construction of preliminary works for the Rucuy hydroelectric plant began in late 2013, and in September 2014, the definitive generation concession was awarded in favor of the Empresa de Generación Eléctrica Río Baños SAC (Egerba), a subsidiary of the Volcan group.

In September 2015, work began to assemble the turbines and generators in the Rucuy machine room and this was fully complete in December 2015. Currently the work to finish the penstock assembly is pending.

As of December 2015 the Rucuy project was 80% complete and investment totaled close to USD 45 million. This project is expected to begin operations in the second quarter of 2016.

With regard to the Chancay II 30-MW project, a water-use study was commissioned, which will be presented to the National Water Authority in the first quarter of 2016.

EXPANSION OF THE TINGO HYDROELECTRIC PLANT

This project entails the expansion of the current Tingo Hydroelectric Plant (acquired in July 2014) initially from 1.25 MW to 10.0 MW.

In August 2015, the works execution schedule was extended to December 2018 through a directorial resolution issued by the Regional Government of Lima.

Rucuy Project - Machines Room



As of December 2015, work was underway on the feasibility study for the expansion, which will define

the course and final capacity of the project.

ENERGY EFFICIENCY PROGRAM

The Company continued to develop the energy efficiency program that it began in 2014. In 2015, it achieved savings of USD 1.7 million by complying with commitments to reduce the operating units' coincident peak electricity demand from the

SEIN, a reduction in excessive consumption of reactive power at Yauli (partial implementation of capacitor banks) and a reduction in invoicing for communications services (SCADA) at Yauli, as a result of contract negotiations with the supplier.

ELECTRICAL TRANSMISSION LINE AND SUBSTATION PROJECTS

SAN ANTONIO SUBSTATION 12/15MVA-50/10.5KV POWER TRANSFORMER

Based on the planned increase in loads at Yauli (SS San Antonio), a 12/15 MVA - 50/10.5kV power transformer was acquired, which will replace the current 8/10 MVA transformer, which is at 95% of full load.

This project will guarantee the growth of mining operations whose electricity supply comes from

the San Antonio substation and facilitate the transfer of loads from the Carahuacra substation (which is very old) to the San Antonio substation, in order to improve energy availability and supply to the Carahuacra mine.

RUMICHACA TAILINGS DAM VARIANT 220 KV-TRANSMISSION LINE – PHASE 1

During 2015, line post insulators were purchased ready for implementing the cable plan (phases) which entails minimum distances with respect to the levels of the retaining dam and clearance of the Rumichaca tailings dam. The Company also coordinated with the company REP (Red de Energía del Perú) to execute this first phase of the project.

The first phase of this project will guarantee the continuity of operations of the Rumichaca tailings dam for around 1.5 years. This will give sufficient time to develop the second phase of the project for the regrowth of the tailings dam to the maximum level of 4,255 masl.

Baños I Powerhouse





Road to Chungar



12. SAFETY, HUMAN RESOURCE MANAGEMENT, CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENT

SAFETY

In 2015, work continued to consolidate the safety management system throughout the Company. The Company organized a series of activities with the goal of transforming the safety culture at all operating units. These activities focused on

understanding, internalizing and deploying the four pillars of the system: i) Hazard Identification and Risk Assessment and Control Project (IPERC Base), ii) training, iii) conditions, and, iv) behavior.

SAFETY MANAGEMENT SYSTEM TOOLS

Risk Management

The Hazard Identification and Risk Assessment and Control Project (IPERC Base) was completed. This focused on high risk activities in the mines and plants evaluated. An evaluation was made of more than a million hazards, looking at their frequency, severity, exposure and mitigation. This analysis will be used for implementing controls.

Multidisciplinary teams developed 31 operating standards and 419 safe work procedures (SWPs) were developed at corporate level for high-risk activities in mines and plants.

Training, Communication and Motivation

Training workshops were organized to address four critical risks: falling rock hazards, mobile equipment, energy blockage, and explosives. The Company developed and disseminated the "Blue Book" with management standards and the "Red

Book" with critical risk standards. These are being handed out as part of the supervisors' training program and to all personnel at the operating units' technical school.

Sub-standard Conditions

The "Red Book" incorporates standards for controlling the critical risks inherent in the operations. During the year, the implementation focused on: falling rock hazards, mobile equipment,

energy blockage, and explosives. The Company also developed and disseminated the standard regarding inspections to control critical risks in all units.

Safe Behavior Audit

The system for evaluating safe behavior was developed. Training was provided to those who will assess this process at all operating units in order to ensure the quality of inspections.

The Company also carried out a safe-behavior audit by contractor and a plan of action was developed in response to the results. The management standard was disseminated to the contractors at all units.

Alpamarca Staff



SAFETY INDICATORS

The safety indicators increased slightly in 2015 because of events that occurred in the units, which were analyzed with the objective of developing

containment actions to minimize and revert the trend.



The mining safety objectives for 2016 are aimed at a continued improvement of the safety indicators, improving the application of management tools

and incorporating contractor companies into the Company's safety standards.

HUMAN RESOURCE MANAGEMENT

In 2015, corporate actions were strengthened to make progress with the humanization process. Despite difficulties faced by the mining sector, smart activities were carried out keep the process going.

During this period, significant efforts were made to consolidate the culture of safety, operating excellence and humanization. Processes such as

recruitment and hiring, training, compensation and benefits, internal communications, atmosphere, performance and talent management, occupational health and personnel management are now part of the corporate-management model. These processes constitute the basis of responsible and competitive human resources management for a world-class mining company.

TRAINING

In 2015, the annual training plan was developed based on operational needs and the employees achieved good results. Programs such as supervisor development, operator training, Teachers Inspiring Teachers, critical risks have contributed towards closing the gaps in behavior and increasing the skills of personnel.

The Company also developed the Volcan Supervisors program, focused on optimizing the technical and soft skills of operational leaders. This program had a special impact on safety management within the Company.

PERFORMANCE AND TALENT MANAGEMENT

Volcan continued to manage staff performance through the Performance Cycle, which seeks to identify the performance and competencies of each employee in order to recognize his other contribution

in the period evaluated. According to the results obtained, key personnel are rewarded with soft skills training at prestigious training entities.

COMPENSATION AND BENEFITS

In 2015, work finished on the Function Organization Manual. This enabled the analysis of all Company functions so as to facilitate the design of organizational structures, job evaluation, salary planning, internal transfers and so on.

In line with the Company's compensation policy, the job evaluation was reviewed and each worker's individual contribution to the business results was used as the basis for their wage review.

PERSONNEL MANAGEMENT

2015 has been a key year for employee management control through programs seeking

efficiency in managing vacations, overtime, absenteeism, attendance etc.

INTERNAL COMMUNICATIONS

2015 saw the development of the Internal Communications plan, which incorporates the needs of different management groups in the Company with regard to the dissemination of information of importance to the organization and consolidation of a unified message.

One of the main tools developed is the monthly communications newsletters, which are used to publicize progress relating to business strategy. The Company also developed Open Door sessions, through which personnel had access to the CEO.

PERSONNEL WELLBEING AND WORKPLACE CLIMATE

Workplace climate committees were set up at all units and in Lima, in order to further enhance the incorporation of workers and develop actions that result in greater employee satisfaction. The

following are among the initiatives set up: sports competitions, holiday celebrations, recognition of achievements etc.

OCCUPATIONAL HEALTH AND SAFETY

Volcan continued to strengthen its occupational health management system to reduce the potential risk of illness among direct employees as well as employees of specialized contractors.

The main prevention activities carried out were:

- Evaluation of occupational agents and factors, to assess the risk of each position. 50% of the most exposed positions were evaluated and the results were used to take measures to reduce, attenuate or even eliminate specific risks.
- New employees underwent medical exams while continuing employees were subject to periodic exams.

- The Company also carried out programs to increase physical activity among those employees who occupy the most sedentary positions through workplace exercises.

- Flu vaccines were given to employees to reduce the number of cases and mitigate the severity of complications from the illness.

In addition, Volcan has an emergency plan in case of accidents. The Company has a team of doctors available 24 hours a day to provide an immediate response, ambulance service with necessary equipment and basic support, and a reference network for transferring patients to a medical center with greater capacity.

Finally, the medical health plan provided to Volcan employees and their family members provides

broad coverage and a network of facilities

COLLECTIVE BARGAINING AND LABOR RELATIONS

In 2015, the Company maintained a policy of dialogue with union organizations in each operating unit through bi-weekly or monthly meetings and periodic presentations to personnel by the corporate finance division. Through these activities, the Company reported on financial and operational results, enabling it to avoid false expectations that can result in labor conflicts.

There was no strike action by the Volcan workforce in 2015.

Volcan concluded direct collective bargaining with the Metallurgical Mining Workers Federation, which encompasses four unions at the Yauli unit and reached a direct agreement with the Yauli

Employees Union. It likewise reached agreement with the Animón-Cerro de Pasco Mining Workers Union and the Cerro de Pasco Workers Union. This was the first agreement in two years with the latter organization.

During 2015, the reorganization process continued, especially in the Cerro de Pasco unit, which brought with it a reduction in the Company's own staff and in workers from specialist companies.

As of December 31, 2015, the Company had a total of 2,871 direct employees in Lima and its operating units. An additional 6,494 people work for companies that provide specialized services to Volcan.

VOLCAN WORKFORCE

Number of Personnel	Laborers			Employees			Officers			Total		
	2013	2014	2015	2013	2014	2015	2013	2014	2015	2013	2014	2015
Volcan Cía Minera S.A.A.	810	795	635	808	903	936	10	5	6	1,628	1,703	1,577
Emp. Administradora Cerro S.A.C.	196	228	159	135	163	66	1	1	1	332	392	226
Emp. Administradora Chungar S.A.C.	308	327	359	357	368	358	29	31	25	694	726	742
Cia. Minera Alpamarca S.A.C.	31	65	46	157	179	158	1	1	1	189	245	205
Óxidos de Pasco S.A.C.	-	-	36	-	-	64	-	-	-	-	-	100
Emp. Minera San Sebastián	-	-	-	2	1	1	-	-	-	2	1	1
Emp. Explotadora de Vinchos S.A.C.	-	-	-	22	20	-	-	-	-	22	20	-
Hidroeléctrica Huanchor S.A.C.	-	-	-	20	20	20	-	-	-	20	20	20
Total	1,345	1,415	1,235	1,501	1,654	1,603	41	38	33	2,887	3,107	2,871

SOCIAL RESPONSIBILITY

In 2015, the Company continued to implement activities aimed at sustainable development of the communities located near its operations. Volcan therefore continued to apply its community relations strategy and complied with the more than 50 land use agreements it has signed with communities. It therefore made payments amounting to USD 1.9 million for use of land, as well as social investment in infrastructure, healthcare,

education, productive projects and diverse support that amounted to USD 2.3 million.

The following were among the general activities developed during the year:

- Education campaigns, providing packs of student supplies
- Mothers' Day campaign, providing fleece blankets and food baskets

INFRASTRUCTURE

YAULI UNIT

- Start of work on the Tingo - Huayhuay - Andaychagua road.
- Start of construction of the Technical Training School to provide training in mining activities through simulation.
- Maintenance of access roads from Suitucancho to Paca in the Suitucancho community.
- Channeling the Pacchapata reservoir for the Huayhuay community.
- Start of the improved grass seeding project in the Callapampa area of the Huayhuay community.
- Construction of a bridge for the Huayhuay community.
- Contribution of equipment and accessories for the healthcare center of the Suitucancho community.
- Construction of the second stage of the local community center in Suitucancho.
- Contribution to the District Municipality of Yauli for the construction the cut-off road for Yauli.

CHUNGAR UNIT

- Implementation of the electrification system in the hamlets of Huarimarcán, San Carlos, La Cruzada and Condorcayán, in the Huayllay community.
- Transfer to the community center in the hamlet of La Cruzada in the Huayllay community.
- Construction of the second floor of the community center in the Santo Rosario hamlet in the Huaychao community.
- Ongoing irrigation of the Huayllay to Chungar highways in order to maintain a healthy environment.

- Health care campaigns with diverse specialists and delivery of medicine and support
- Animal dosing campaigns for cattle, sheep and camelids in the communities
- Christmas campaign, providing panettone, toys, Christmas baskets and chocolatadas (events featuring hot chocolate and sweet treats)
- Strategic partnership with Enseña Perú to

sponsor six teachers from that institution, enabling students from the communities of Huayhuay, Andaychagua and Pachachaca who were lagging behind to reduce the shortfall by 50%.

- Support to help various communities to preserve and raise awareness about their culture and traditions

In addition, the following specific objectives were achieved in the operating units:

ALPAMARCA UNIT

- Repair of the bullring in the San José de Baños community.
- Repair of recesses in the cemetery in the San José de Baños community.
- Construction of gravestones in the cemetery in the Carhuacayán district.
- Support for maintenance of the Carhuacayán – Cima highway in the Carhuacayán Community.

CERRO DE PASCO UNIT

- Construction of a shed with high-quality materials for cattle, in line with the standards of the AGRORURAL program in Huachuagasha, in the jurisdiction of the Yanamate cooperative.

HYDROELECTRIC PLANTS

- Improved potable water supply for the Ravira community.
- Maintenance of the Tingo – Alpamarca highway, San José de Baños community.
- Construction of the third, fourth and fifth floors of the multipurpose community center for the San José de Baños community.
- Leveling, grass seeding and fencing of the community stadium in San José de Baños.
- Development of the first stage to restore the Marca Piche archaeological complex in the San José de Baños community.

SUSTAINABLE ECONOMIC DEVELOPMENT

YAULI UNIT

- Implementation of a veterinary first aid kit for neighboring communities, as well as shearing campaigns.
- Supply of balanced feed for cattle in the Yauli community.
- Sprinkler irrigation of 25 hectares and 13 hectares of land seeded with grass in the Pomacocha community.
- Implementation and training in the hatchery at the fish farm in the Pomacocha community.
- Installation of two collection centers at the San José de Andaychagua annex.

CHUNGAR UNIT

- Transfer to the Huayllay community of the fully equipped community hotel, which has five stories and 30 rooms.

EDUCATION, HEALTH AND TRAINING

- Training for members of the local population in operating heavy equipment and provision of annual scholarships for studying at SENATI.
- Training for women from the Yauli community in makeup, jewelry-making, baking, making bread, industrial clothes making etc.
- IT training for local people from Pomacocha.
- Training for local people from Pomacocha in trout farming and genetic improvement of livestock.
- Training for local people from Suitucancha in topics relating to environmental impact.

- Payment of comprehensive scholarships to people from the local community and their children for the specialist subject of heavy equipment maintenance.
- Finance for teachers to provide a range of training to local people in Huayllay and Huaychao.
- Participation in the first job fair organized by the Municipality of Huayllay.
- Finance for an obstetrician for the whole year at the healthcare center in the Huaychao community.
- Finance for a psychologist for the whole year who attended the different educational establishments in the Huayllay community.
- Contribution of breakfasts to students at schools in the communities of Huaychao and Los Andes de Pucará.

ALPAMARCA UNIT	CERRO DE PASCO UNIT	HYDROELECTRIC PLANTS
	<ul style="list-style-type: none"> ▪ Livestock packs provided to the Yanamate cooperative containing hoof nippers, shears, dosing pistols and tanks of water. ▪ Medication for the immersion bath deworming campaign for the rural community of Tingo Palca. ▪ Support for the equestrian afternoon, as well as for various competitions and the judging of small and large livestock at the agricultural show Expo Nacional Rancas 2015. ▪ Service supply opportunities for community-based and private enterprises comprising local residents and their children in remediation work being carried out in the Huandohuasi and Cancaymayo areas. 	<ul style="list-style-type: none"> ▪ Training for the communities of Viscas, Ravira and Pacaraos through workshops on the clothing industry and IT. ▪ Extension of the areas that can be cultivated in the Santa Catalina community. ▪ Development of the technical file on secondary networks for electrification of the rural community of Santa Catalina.
<ul style="list-style-type: none"> ▪ Financial support for educational institutions in the Carhuacayán district. ▪ Support for the celebration to mark the anniversary of the Carhuacayán district. 	<ul style="list-style-type: none"> ▪ Donation of school-supply packets to the Yanamate cooperative. ▪ Full scholarships for studying at UNDAC and SENATI granted to people in the communities of San Antonio de Rancas and Quiulacocha. ▪ Sponsorship of talks about career guidance, domestic violence, healthcare, diet and educational workshops for professional and family development of people living in the community. ▪ Implementation of a school library at the San Andrés de Paragsha educational institution. ▪ Internships for children of community members in San Antonio de Rancas and Quiulacocha. 	<ul style="list-style-type: none"> ▪ Establishment of the Cuyes Revolving Fund program to improve the diet of families in the communities of Ravira, Viscas, Pacaraos, San José de Baños, Santa Cruz de Andamarca, Santa Catalina, Chauca and Vichaycocha. ▪ School for parents with classes on nutrition, hygiene, human development and family healthcare for the communities of Ravira, Viscas and Pacaraos. ▪ Full scholarships for technical studies at SENATI granted to community members and their children in the community of San José de Baños.

PUBLIC WORKS AND TAX CREDIT PROGRAM

Despite the adverse circumstances in the industry, Volcan maintained its leadership position in Peru, providing significant financial and technical support through the Public Works and Tax Credit Program. To date PEN 107 million in resources has been implemented and/or assigned. Thus in 2015, Volcan succeeded in being the first company in Peru with regard to the number of projects concluded, with investment totaling PEN 59 million. The projects were aimed at improving the quality of life of nearby populations through the provision of basic services and infrastructure improvements.

The "Improvement and expansion of the sewer and drinking water system in Ticlacayán, Cerro de Pasco" project was completed in 2015. Investment totaled PEN 13.5 million and the project benefitted 2,314 local people.

One of the objectives of the Public Works and Tax Credit Program is to provide inhabitants of the area of influence with adequate drinking water and sanitation services and infrastructure. Towards that end, in 2015 Volcan continued work on the following projects: "Huayllay-Pasco drinking water, sewer and wastewater treatment project" (PEN 11.7 million), "Drinking water, sewer and

wastewater treatment project in Yauli District" (PEN 9.9 million) – in partnership with Ferreyros and Chinalco, and "Construction of lanes and sidewalks on Avenida 9 de Enero in Chaupimarca, Cerro de Pasco" (PEN 5.4 million).

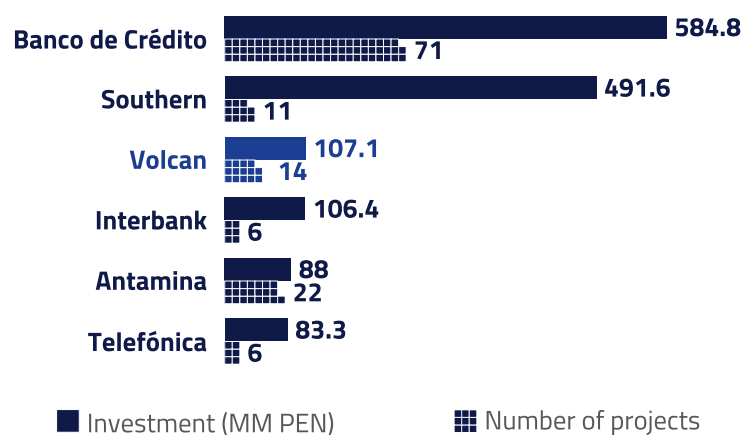
Work also began on an additional project: "Improvement and expansion of the drinking water and sewer system in the San Agustín – Huaychao village, Huayllay district in the region of Pasco (PEN 7 million) – in partnership with Ferreyros and Unimaq.

Finally, Volcan has a portfolio of projects under evaluation totaling PEN 80 million that it has shared with the new local and regional authorities in Pasco and Junín. The evaluation will prioritize those projects that reduce the gaps in access to basic services, focusing investment in the following sectors:

- Water and sanitation
- Education
- Healthcare

Volcan ranks third across all industries in terms of the highest sum committed and the number of projects awarded under the Public Works and Tax Credits.

**AMOUNT INVESTED AND NUMBER OF PROJECTS AWARDED THROUGH
THE PUBLIC WORKS AND TAX CREDIT PROGRAM (2009-2015)**



Source: Private Investment Promotion Agency – Peru
(Agencia de Promoción de la Inversión Privada)

ENVIRONMENT

In line with Volcan's vision of operating responsibly, in collaboration with society and with respect for the environment, the Company drew up strategies to help develop and achieve world-class environmental management. Thus in 2015 the focus was on fulfilling objectives and goals based on the following guidelines:

1. Environmental Management System

The performance of all Volcan units was evaluated and measured through an internal audit.

2. Reduction in the Observations and Findings from the Environmental Evaluation and Enforcement Organism (OEFA).

The Company undertook environmental inspections and verification of compliance with regulations to identify and prevent environmental impacts and possible deviations in compliance that could occur during operations. Technical support for the professionals from each unit was developed with the supervisors of OEFA. OEFA findings were reduced by 71%.

In addition, the following specific objectives were achieved in the operating units:

OPERATING UNITS

Yauli unit

Andaychagua

- Approval of the renovation of the industrial water discharge granted in Resolution 138-2015-ANA-DGCRH in June 2015.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Carahuacra

- Approval of the Non-existence of Archaeological Remains Certificate (CIRA) for the regrowth of the Rumichaca tailings dam to the level of 4230, with a total area of 13.9 hectares and a total perimeter of 7,143 meters, granted by the Ministry of Culture in Resolution 2015-218-JUN (September 2015).

- In December 2015, the General Directorate for Mining granted authorization for the construction to expand the tailings dam to 4230 masl through Resolution 0598-2015-MEM-DGM/V.

- The General Directorate for Mining granted authorization for the construction and operation of the Victoria plant to 5,200 tpd through Resolution 0395-2015-MEMDGM/V in September 2015.

- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

San Cristóbal – Mahr Túnel

- Approval of the Non-existence of Archaeological Remains Certificate (CIRA) for MT 6 Project to level 4036, with a total area of 8 hectares and a total perimeter of 1,908 meters, granted by the Ministry of Culture in Resolution 2015-292-JUN (December 2015).
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Ticlio

- The permit to renew industrial discharge at Huacracocha was approved through Resolution 089-2015-ANA-DGCRH in March 2015.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Chungar unit

Animón

- Authorization for the operation of the third stage of regrowth of the Animón tailings dam to 4,618 masl, granted by the General Directorate for Mining in Resolution 456-2015-MEM-DGM/V.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Cerro de Pasco unit

Paragsha

- Renewal of the permit to discharge treated neutral industrial wastewater at the Paragsha plant and the neutralization plant, granted by the National Water Authority in Resolution 115-2015-ANA-DCPRH in May 2015.
- The Non-existence of Archaeological Remains Certificate (CIRA) for the extension of the Rumiallana overburden deposit, CIRA 2015-077-PA granted by the Pasco Culture Department.
- The Non-existence of Archaeological Remains Certificate for the regrowth of the Ocroyoc Deposit, CIRA N° 2015-077-PA granted by the Pasco Culture Department.

- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Vinchos

- Renewal of the permit for the discharge of treated industrial wastewater at the unit, with an annual volume of 83,722 cubic meters, to be discharged into Mancancoto Lagoon.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

Huaroncocha Lagoon



Alpamarca unit

Alpamarca

- Authorization granted through Resolution 362-2015-MEM-DGM/V by the General Directorate for Mining in August 2015 for the construction of the project to amend the "Alpamarca benefit plant" concession, installing additional components and expanding its installed capacity from 2,000 to 2,500 tpd.
- Authorization for the development, preparation and exploitation activities for Alpamarca exploitation project at the Alpamarca unit, granted by the General Directorate for Mining in Resolution 092-2015-MEM-DGM/V in March 2015.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree

002-2014-MEM, Environmental quality standards for soil.

Río Pallanga

- Authorization for the underground mine tasks and operation of the overburden deposit at the Río Pallanga mine, granted by the General Directorate for Mining in Resolution 0362-2015-MEM-DGM/V in May 2015.
- In April 2015 the contaminated site report was presented, in compliance with Supreme Decree 002-2014-MEM, Environmental quality standards for soil.

San Sebastián

- The environmental monitoring and inspection visits have been implemented to corroborate the conditions of the project.

Energy

- Environmental impact study (EIS) for the "220 kV transmission line between Chancay 2 Hydroelectric plant, Rucuy Hydroelectric Plant and the Françoise Substation.
- The license to use surface water for the San José hydroelectric plant approved through Resolution 206-2015-ANA-AAA X MANTARO.

EXPLORATION PROJECTS

Zoraida I (Yauli)

▪ Environmental monitoring and controls were carried out during the project execution. The execution stopped in June and in September the

work was finished on closing the components that had been set up.

Zoraida II (Yauli)

▪ In October, the Non-existence of Archaeological Remains Certificate (CIRA) was granted through CIRA 1330-2015-DDC-JUN/MC for the 1,051

hectares requested, the effective area covered by the project. Now this certificate has been obtained, permission to start activities can be requested.

Palma (Chungar)

▪ Environmental monitoring and controls were carried out during the project execution. Work continued on the Archaeological Monitoring Plan for Palma and the Ministry of Culture carried out three supervision visits. The recommendations they left were dealt with and the Final Report was developed, which was received at the end of 2015.

▪ For the implementation of the septic tanks and three biodigesters, percolation tests and a geophysical study were carried out on the land where the biodigesters and infiltration trenches would be installed. The opinion of the General Directorate for Environmental Health (DIGESA) was sought regarding the efficiency of this domestic wastewater treatment system.

Islay 4 (Chungar)

▪ In 2015, the permits needed for the project were obtained. First came the environmental certification (Environmental Impact Statement) and this was

followed by the Non-existence of Archaeological Remains Certificate (CIRA) for the effective area of 196 hectares.

Tirol (Alpamarca)

■ Environmental monitoring and controls were carried out during the project execution. In September the work was finished on closing the components

that were set up during the implementation, and some 800 m² were rehabilitated.

Carhuacayán (Vichaycocha)

■ During 2015 the environmental certification for the Carhuacayán Zona 1 project was obtained: the Environmental Impact Statement and the Non-existence of Archaeological Remains Certificate (CIRA) for the Carhuacayán - Zone 1 and Carhuacayán

- Zone 2 projects. The semi-detailed Environmental Impact Study for the Carhuacayán - Zone 2 project was also presented to the General Directorate for Mining Environmental Affairs (DGAAM) and is now being evaluated.



Alpamarca Tailings Dam



13. CONSOLIDATED FINANCIAL RESULTS

There has been no resignation or dismissal of the chief accountant or auditor in the last two years.

VOLCAN COMPAÑÍA MINERA S.A.A.
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL RESULTS
AS OF DECEMBER 31, 2015 AND 2014

Contents

Independent auditors report

Consolidated statement of financial position

Consolidated statement of comprehensive income statement

Statement of changes in consolidated net assets

Consolidated cash flow statement

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2014 AND 2013
(In thousand US Dollars)

ASSETS		2015	2014	LIABILITIES AND EQUITY		2015	2014
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalents		192,307	174,363	Bank overdrafts		14,043	16,060
Trade accounts receivable, net		55,247	83,450	Financial obligations		198,662	201,765
Other accounts receivable		352,356	361,079	Trade accounts payable		165,294	228,847
Other financial assets		14,508	32,528	Other accounts payable		53,453	65,044
Inventories, net		106,968	197,236	Other financial liabilities		104,480	96,209
Total current assets		721,386	848,656	Total current liabilities		535,932	607,925
NON-CURRENT ASSETS				NON-CURRENT LIABILITIES			
Other accounts receivable		31,050	40,765	Long-term financial obligations		623,571	620,270
Other financial assets		48,935	92	Other financial liabilities		143,949	12,041
Investments in associates		1,861	4,333	Deferred income tax liability		143,749	190,992
Property, plant and equipment, net		1,087,110	1,245,825	Provision for contingencies		5,514	11,171
Mining titles & concessions, and exploration, development & stripping costs		392,488	767,623	Provision for the closure of mining units		72,381	63,610
Deferred income tax assets		269,765	89,761	Total non-current liabilities		989,164	898,084
Total non-current assets		1,831,209	2,148,399	Total liabilities		1,525,096	1,506,009
				NET EQUITY			
				Issued capital		1,531,743	1,531,743
				Shares in treasury		-240,450	-240,342
				Other capital reserves		119,837	118,731
				Capital reserve		20,296	20,329
				Unrealized gain or loss		-25,563	-21,931
				Accumulated gain or loss		-378,364	82,516
				Total net equity		1,027,499	1,491,046
Total assets		2,552,595	2,997,055	Total liabilities and net equity		2,552,595	2,997,055

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF INCOME****FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousand US Dollars)

	2015	2014
Net Sales	794,514	1,042,351
Cost of Sales	-663,202	-865,746
Gross Profit	131,312	176,605
Operational (Expenses) Revenues:		
Administrative expenses	-47,065	-54,558
Selling expenses	-43,023	-49,050
Other revenues	56,247	186,000
Other expenses	-115,415	-78,224
Impairment of non-financial assets	-568,624	-85,385
Operating Profit	-586,568	95,388
Financial Revenues (Expenses):		
Revenues	73,739	29,096
Expenses	-118,576	-49,941
Profit before income tax	-631,405	74,543
Income tax	177,493	-17,720
Net Profit	-453,912	56,823
Weighted average of the number of issued and outstanding shares (in thousands)	3,858,733	3,865,936
Basic and diluted earnings per share	-0.118	0.015

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousand US Dollars)

	2015	2014
Net Profit	-453,912	56,823
Other comprehensive income:		
Net variation in unrealized gain on derivative financial instruments	-4,173	-26,939
Income tax	1,169	8,082
Other comprehensive income, net of income tax	-3,004	-18,857
Adjustment for deferred income tax	-628	-10,105
Total comprehensive income	-457,544	27,861

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2015
(In thousand US Dollars)

	NUMBER OF SHARES		ISSUED	SHARES IN	OTHER CAPITAL	CAPITAL	UNREALIZED	ACCUMULATED	TOTAL
	COMMON A	COMMON B	CAPITAL	TREASURY	RESERVES	RESERVE	GAIN OR LOSS	GAIN OR LOSS	US\$(000)
	SHARES	SHARES	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Balance as of January 1, 2014	1,310,344,032	2,230,193,708	1,427,768	-233,856	110,736	14,209	-3,074	159,344	1,475,127
Net profit	-	-	-	-	-	-	-	56,823	56,823
Net variation of unrealized gain on derivative financial instruments	-	-	-	-	-	-	-18,857	-	-18,857
Capitalization of profit	134,876,233	201,739,293	103,975	-	-	-	-	-103,975	-
Appropriation	-	-	-	-	7,995	-	-	-7,995	-
Dividends distribution	-	-	-	-	-	-	-	-17,847	-17,847
Advances on dividends	-	-	-	-	-	-	-	-7,116	-7,116
Purchase of shares of the Company by a subsidiary	-17,148,260	-1,010,280	-	-6,486	-	6,120	-	-	-366
Adjustment for deferred income tax	-	-	-	-	-	-	-	-10,105	-10,105
Effect from conversion	-	-	-	-	-	-	-	13,387	13,387
Balance as of December 31, 2014	1,428,072,005	2,430,922,721	1,531,743	-240,342	118,731	20,329	-21,931	82,516	1,491,046
Balance as of January 1, 2015	1,428,072,005	2,430,922,721	1,531,743	-240,342	118,731	20,329	-21,931	82,516	1,491,046
Net Profit	-	-	-	-	-	-	-	-453,912	-453,912
Net variation of unrealized gain on derivative financial instruments	-	-	-	-	-	-	-3,632	-	-3,632
Capitalization of profit	-	-	-	-	-	-	-	-	-
Appropriation	-	-	-	-	1,106	-	-	-1,106	-
Dividends distribution	-	-	-	-	-	-	-	-5,862	-5,862
Advances on dividends	-	-	-	-	-	-	-	-	-
Purchase of shares of the Company by a subsidiary	-318,347	-	-	-108	-	-33	-	-	-141
Adjustment for deferred income tax	-	-	-	-	-	-	-	-	-
Effect from conversion	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2015	1,427,753,658	2,430,922,721	1,531,743	-240,450	119,837	20,296	-25,563	-378,364	1,027,499

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousand US Dollars)

	2015	2014
OPERATING ACTIVITIES:		
Collection of sales	982,220	1,203,121
Ingresos por coberturas	25,373	11,511
Balance refund in favor of benefit	25,327	59,070
Payments to suppliers and third parties	-714,662	-885,251
Payments to employees	-90,614	-117,817
Payments of income tax and other taxes	-8,163	-26,741
Other operating collections	-11,271	-13,840
NET CASH INCREASE FROM OPERATING ACTIVITIES	208,210	230,053
INVESTMENT ACTIVITIES:		
Acquisition of property, plant and equipment	-117,302	-307,833
Sale of issue of shares and dividends received	-	-870
Acquisition of investments in shares	7,938	-
Disbursements for exploration, development and stripping activities	-64,275	-106,439
NET CASH DECREASE FROM INVESTMENT ACTIVITIES	-173,639	-415,142
FINANCING ACTIVITIES:		
Increase of financial obligations	36,377	155,073
Purchase of shares in treasury	-141	-366
Payment of interests	-36,179	-32,250
Payment of dividends	-16,684	-32,619
NET CASH DECREASE FROM FROM FINANCING ACTIVITIES	-16,627	89,838
NET DECREASE OF CASH AND CASH EQUIVALENT	17,944	-95,251
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	174,363	269,614
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	192,307	174,363

VOLCAN COMPAÑÍA MINERA S.A.A. AND SUBSIDIARIES**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

(In thousand US Dollars)

	2015	2014
RECONCILIATION OF NET PROFIT OR LOSS WITH CASH FROM OPERATING ACTIVITIES:		
Net profit	-453,912	56,823
Plus (less) adjustments in net profit:		
Depreciation and amortization	155,026	161,496
Estimation due to devaluation of assets	568,624	85,385
Drop in property, plant and equipment	3,586	4,440
Valorization of oxides stock piles and pyrites	69,291	-91,449
Net changes in assets and liabilities		
(Increase) decrease of operating assets -		
Accounts receivable, net	46,641	30,495
Inventories	-70,472	2,448
Increase (decrease) of operating liabilities -		
Trade accounts payable	-63,553	-22,567
Other accounts payable	-47,021	2,982
NET CASH FROM OPERATING ACTIVITIES	208,210	230,053



Lacsacocha Lagoon



14. LEGAL AFFAIRS

**VOLCAN COMPAÑÍA
MINERA S.A.A.**

The Company has several administrative cases pending with the National Superintendent of Tax Administration (SUNAT) for rulings related to determination of taxes, fines and interest totaling approximately USD 344 million.

Rulings on taxes, fines and interest correspond mainly to differences in criteria regarding determination of the taxable bases for payment of the third-category income tax and general sales tax (VAT) for the 1998-2008 period, and in the opinion of SUNAT, failure to pay taxes and withhold taxes from third parties.

The main issue in dispute is SUNAT's qualification of concentrate export operations as internal sales subject to general sales tax. Other mining companies are being assessed for similar charges. To date, there have been diverse rulings in administrative and legal courts that have established that the operations in question are exports and not subject to sales tax under the law.

To date, these cases are being challenged administratively in complaints filed with SUNAT and appeals before the Tax Court, as well as in the courts of law.

**EMPRESA ADMINISTRADORA
CHUNGAR S.A.C.**

Chungar has several administrative cases pending with SUNAT for rulings related to determination of taxes, fines and interest totaling approximately USD 64 million.

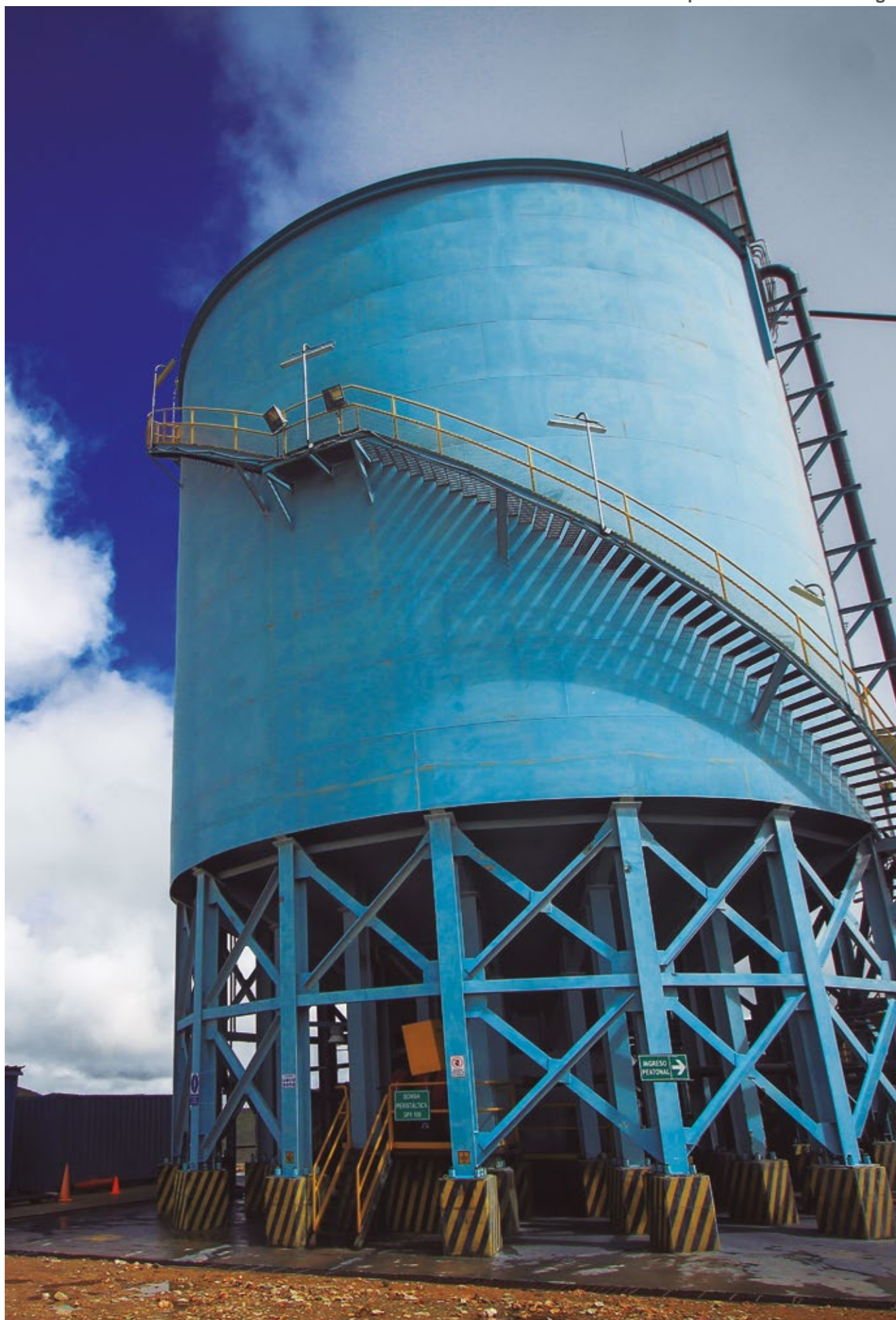
The rulings on taxes, fines and interest correspond mainly to differences in criteria regarding determination of the taxable bases for payment of the third-category income tax and general sales tax (VAT) for the 2001-2005 period and 2012, and in the opinion of SUNAT, failure to pay taxes and withhold taxes from third parties. To date, these cases are being challenged administratively in complaints filed with SUNAT and appeals before the Tax Court, as well as in the courts of law.

**EMPRESA ADMINISTRADORA
CERRO S.A.C.**

As of December 31, 2015, the subsidiary had an appeal pending with the National Superintendent of Tax Administration (SUNAT) for rulings related to determination of taxes, fines and interest totaling USD 2,100.

The rulings on taxes, fines and interest are because, in the opinion of SUNAT, of a failure to pay taxes, and also because of differences in criteria regarding the determination of the taxable bases for payment of the third-category income tax for 2012. To date, this case is being challenged administratively in a complaint filed with SUNAT.

Deep Cone Thickener - Chungar



PROVISION FOR CONTINGENCIES

**VOLCAN COMPAÑÍA
MINERA S.A.A.**

Company management, based on the opinion of external legal counsel, has undertaken a review of all cases related to tax, labor, civil and administrative matters, among others, and has established a provision for probable contingencies of USD 4.8 million. Company management and its legal counsel are of the opinion that this provision covers probable contingencies and additional provisions are not necessary.

**EMPRESA ADMINISTRADORA
CHUNGAR S.A.C.**

Company management, based on the opinion of external legal counsel, has undertaken a review of all cases related to tax, labor, civil and administrative matters, among others, and has established a provision for probable contingencies of USD 400,000. Company management and its legal counsel are of the opinion that this provision covers probable contingencies and additional provisions are not necessary.

**EMPRESA ADMINISTRADORA
CERRO S.A.C.**

Company management, based on the opinion of external legal counsel, has undertaken a review of all cases related to tax, labor, civil and administrative matters, among others, and has established a provision for probable contingencies of USD 300,000. Company management and its legal counsel are of the opinion that this provision covers probable contingencies and additional provisions are not necessary.

CASES BEFORE MUNICIPAL AUTHORITIES

As of December 31, 2015, the Company had an administrative tax case pending with the Pasco Provincial Municipality regarding a property tax ruling for USD 181,000. The case is in the appeals process. However, to date and despite an order from the Tax Court, the Municipality has not yet presented the file.

As of December 31, 2015, the subsidiary has an administrative tax case pending with the Huayllay District Municipality regarding property taxes for the period 2006 to 2012, in the amount of USD 140,000. The case is currently in the appeals stage.

In addition, as of the same date there is an administrative procedure pending with the aforementioned District Municipality in regard to several fines totaling USD 167,000, also in the appeals stage.

As of December 31, 2015 the subsidiary has two pending administrative cases with District Municipalities, for diverse payment orders and tax determinations, with respect to property tax for 2012 and 2013 totaling USD 121,000. These rulings have been appealed.

In addition, there are two administrative cases pending with the Yanacancha District Municipality for various payment orders, based on the determination of a supposed non-payment of rights to obtain demolition licenses, in the amount of USD 171,000. These are currently in the claims stage.

In addition, the Cerro de Pasco Provincial Municipality imposed a USD 1.2 million fine for construction of fencing without a construction permit. The fine has been challenged through administrative litigation in the courts of law and is pending resolution.

Finally, as of the same date, there is a pending request filed with the Pasco Provincial Municipality for reimbursement of improper payment of USD 1.11 million in property taxes for 2011. The case is currently in the appeals process.

**HIDROELÉCTRICA
HUANCHOR S.A.C.**

Company management, based on the opinion of external legal counsel, has undertaken a review of all cases, and has established that no provision for probable contingencies is needed.

**EMPRESA EXPLOTADORA
DE VINCHOS LTDA S.A.C.**

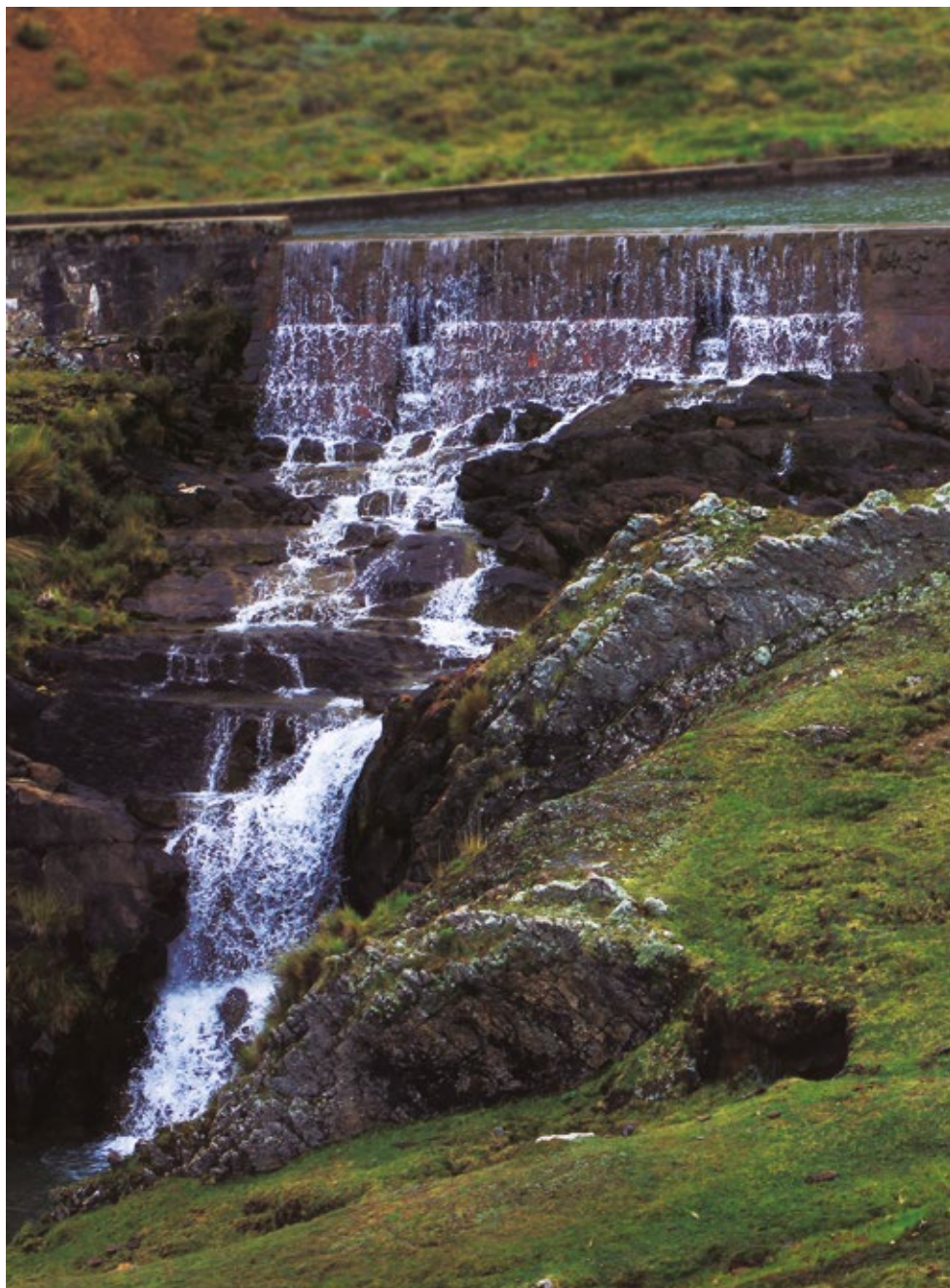
Company management, based on the opinion of external legal counsel, has undertaken a review of all cases related to tax, labor, civil and administrative matters, among others, and has established a provision for probable contingencies of USD 900,000. Company management and its legal counsel are of the opinion that this provision covers probable contingencies and additional provisions are not necessary.

**COMPAÑÍA MINERA
ALPAMARCA S.A.C.**

Company management, based on the opinion of external legal counsel, has undertaken a review of all cases, and has established that no provision for probable contingencies is needed.

As of December 31, 2015, the Subsidiary had an administrative tax case pending with the San Mateo District Municipality regarding municipal taxes for 2014 and 2015, in the amount of USD 20,000. The case is currently in the appeals stage.

In addition, as of the same date the Subsidiary has an administrative procedure pending with the aforementioned District Municipality against the resolution to charge real estate transfer tax totaling USD 95,000. This is also in the appeals stage.



ADMINISTRATIVE SANCTION PROCEDURES
AND ADMINISTRATIVE LITIGATION ACTIONS**VOLCAN COMPAÑÍA
MINERA S.A.A.**

The Company has several environmental, occupational health and safety and labor safety cases pending before the following regulatory entities: National Water Authority – Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendent of Labor Enforcement), Ministry of Energy and Mines, Ministry of Production, Supervisory Agency of Investment in Energy and Mining (OSINERGMIN) and the Environmental Evaluation and Enforcement Organism (OEFA) for alleged violations of various environmental regulations and the Mining Safety and Hygiene Regulation in the amount of USD 8 million.

Company management and its legal counsel, based on reasons in fact and law, are of the opinion that final resolution of these cases will not result in significant additional liabilities for Volcan.

**EMPRESA ADMINISTRADORA
CHUNGAR S.A.C.**

Chungar has several environmental, occupational health and safety and labor safety cases pending before the following regulatory entities: National Water Authority – Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendent of Labor Enforcement), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violations of various environmental and safety regulations totaling USD 1.4 million.

**EMPRESA ADMINISTRADORA
CERRO S.A.C.**

The subsidiary has several environmental, occupational health and safety and labor safety cases pending before the following regulatory entities: National Water Authority – Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendent of Labor Enforcement), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of various environmental regulations and the Mining Safety and Hygiene Regulation, totaling USD 179,000.

LABOR CASES

The Company is facing labor lawsuits totaling USD 4 million for compensation for damages, work-related illness, reimbursement of benefits, payment of profits, reinstatement of workers and other matters. These cases are in the appeals and/or sentencing process.

In addition, there are two cases (labor actions, 1998 production bonuses), for which the amount involved in the lawsuits has not been determined, as this will be determined in the execution of the sentences in the improbable event of rulings against the Company.

Chungar faces labor lawsuits totaling USD 140,000 in compensation for damages, work-related illness, reimbursement of benefits and other matters in the appeals and/or sentencing process.

The subsidiary is facing labor lawsuits totaling USD 250,000 for compensation for damages for work-related illness, reimbursement of benefits, reinstatement of profits, payment of production bonuses and other matters in the appeals and/or sentencing process.

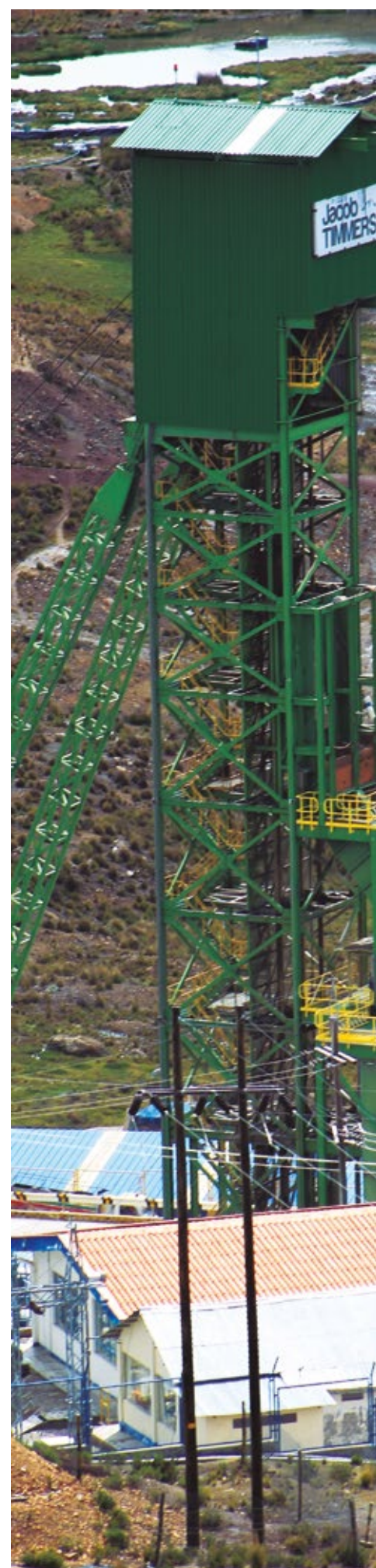
EMPRESA EXPLOTADORA DE VINCHOS LTDA S.A.C.

The subsidiary has several environmental, safety and occupational health cases pending before the following regulatory entities: National Water Authority – Local Water Authorities, Ministry of Labor and Employment Promotion and the National Superintendent of Labor Enforcement, Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of various environmental regulations and the Mining Safety and Hygiene Regulation, totaling USD 403,000.

COMPAÑÍA MINERA ALPAMARCA S.A.C.

The subsidiary has several environmental, occupational health and safety and labor safety cases pending before the following regulatory entities: National Water Authority – Local Water Authorities, Ministry of Labor and Employment Promotion (National Superintendent of Labor Enforcement), Ministry of Energy and Mines, Ministry of Production, OSINERGMIN and OEFA, for alleged violation of various environmental regulations and the Mining Safety and Hygiene Regulation, totaling USD 2,000.

There are labor lawsuits, qualified as probable, totaling USD 88,000 for compensation for damages, work-related illness, reimbursement of benefits and others. These lawsuits are in the appeals and/or sentencing process.





Alpamarca



15. STOCK INFORMATION

Shares of Volcan Compañía Minera S.A.A. are traded on the Lima Stock Exchange, the Santiago Stock Exchange and the Latibex in Madrid.

VOLCAN COMPAÑÍA MINERA S.A.A. STOCK SYMBOLS

Stock	Lima Stock Exchange	Santiago Stock Exchange	Madrid Latibex Stock Exchange
Volcan Class A Common	VOLCAAC1	VCMAC1	
Volcan Class B Common	VOLCABC1	VCMB1	XVOLB.MC

Subscribed, paid and registered capital to date is totals 4,076,572,175 Soles, represented by 1,633,414,553 class A common shares and 2,443,157,622 class B common shares. The subsidiary Empresa Minera Paragsha S.A.C. holds 182,218,550 class A common shares

and 12,234,901 class B common shares. The subsidiary Empresa Administradora Chungar S.A.C. owns 23,432,075 class A common shares. The subsidiary Compañía Minera Alpamarca S.A.C. owns 10,270 class A common shares.

STOCK OWNERSHIP COMPOSITION

As of December 31, 2015, the composition of share ownership is as follows:

CLASS A COMMON SHARES

Percentage Held	Number of Shareholders	% Share
Less than 1%	572	5.88
From 1% to 5%	8	19.80
From 5% to 10%	6	52.83
More than 10%	2	21.49
Total	588	100.00

CLASS B COMMON SHARES

Percentage Held	Number of Shareholders	% Share
Less than 1%	8,529	35.21
From 1% to 5%	9	21.53
From 5% to 10%	3	18.67
More than 10%	2	24.59
Total	8,543	100.00

Of total company equity, 77.45% is held by domestic shareholders with 3,157,439,817 shares while 22.55% is held by foreign shareholders with 919,132,358 shares.

Shareholders holding more than 5.0% of the company's stock are as follows:

CLASS A COMMON SHARES

Principal Shareholders	%	Person/Entity	Nationality	Corporate Group
Empresa Minera Paragsha S.A.C.	11.16	Legal entity	Peruvian	Volcan
De Romaña Letts, José Ignacio	10.33	Individual	Peruvian	Does not apply
Letts Colmenares de de Romaña, Irene Florencia	9.9	Individual	Peruvian	Does not apply
Osterling Letts, Madeleine	9.38	Individual	Peruvian	Does not apply
Letts Colmenares de Osterling, María Josefina	8.91	Individual	Peruvian	Does not apply
Letts Colmenares Vda. de Bayly, Doris	8.44	Individual	Peruvian	Does not apply
Blue Streak International N.V.	8.38	Legal entity	Netherlands Antilles	Does not apply
Sandown Resources S.A.	7.81	Legal entity	Panamanian	Glencore

CLASS B COMMON SHARES

Shareholder	% Ownership Interest	Person/Entity	Nationality	Corporate Group
AFP Integra - FONDO 2	12.47	Legal entity	Peruvian	Integra
AFP Prima - FONDO 2	12.12	Legal entity	Peruvian	Prima
AFP Profuturo - FONDO 2	6.92	Legal entity	Peruvian	Profuturo
AFP Prima - FONDO 3	6.58	Legal entity	Peruvian	Prima
AFP Integra - FONDO 3	5.17	Legal entity	Peruvian	Integra

DIVIDENDS

Total dividends paid in cash for 2014 profits:

- January 2015 PEN 0.005000 for each class A common share.
- May 2015 PEN 0.007500 for each class A common share.
- January 2015 PEN 0.005250 for each class B common share.
- May 2015 PEN 0.007875 for each class B common share.

STOCK PRICES ON THE LIMA STOCK EXCHANGE

In 2015, the market prices of class A and class B common shares, expressed in Soles, were as follows:

CLASS A COMMON SHARES

Month	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Average price PEN
January	1.50	1.30	1.50	1.26	1.29
February	1.40	1.40	1.40	1.40	1.40
March	1.40	1.40	1.40	1.40	1.40
April	1.40	1.40	1.40	1.40	1.40
May	1.40	1.52	1.52	1.40	1.45
June	1.55	1.88	1.88	1.55	1.65
July	1.85	1.78	1.86	1.78	1.80
August	1.35	1.35	1.35	1.35	1.35
September	1.25	1.25	1.25	1.25	1.25
October	1.20	1.10	1.20	1.10	1.13
November	1.10	1.10	1.10	1.10	1.10
December	1.10	1.09	1.10	1.09	1.10

Source: Lima Stock Exchange

CLASS B COMMON SHARES

Month	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Average price PEN
January	0.72	0.48	0.72	0.45	0.53
February	0.49	0.60	0.67	0.49	0.57
March	0.60	0.55	0.62	0.52	0.55
April	0.55	0.61	0.63	0.54	0.59
May	0.62	0.70	0.73	0.62	0.68
June	0.69	0.70	0.78	0.67	0.72
July	0.69	0.52	0.69	0.52	0.61
August	0.51	0.42	0.52	0.33	0.43
September	0.42	0.38	0.42	0.35	0.38
October	0.39	0.32	0.41	0.31	0.36
November	0.32	0.26	0.32	0.26	0.29
December	0.27	0.19	0.27	0.19	0.22

Source: Lima Stock Exchange

LATIBEX PRICES 2015

Month	Euro exchange rate	Opening PEN	Closing PEN	Maximum PEN	Minimum PEN	Average price PEN
January	3.396	0.65	0.48	0.68	0.48	0.59
February	3.436	0.48	0.69	0.79	0.48	0.64
March	3.311	0.66	0.58	0.70	0.55	0.62
April	3.407	0.59	0.60	0.68	0.58	0.61
May	3.323	0.59	0.65	0.74	0.58	0.67
June	3.527	0.69	0.74	0.79	0.67	0.71
July	3.445	0.73	0.63	0.78	0.62	0.67
August	3.521	0.67	0.48	0.63	0.36	0.60
September	3.576	0.49	0.44	0.60	0.43	0.49
October	3.594	0.44	0.48	0.52	0.43	0.48
November	3.504	0.46	0.47	0.54	0.46	0.50
December	3.591	0.47	0.44	0.48	0.43	0.44

Sources: Madrid Stock Exchange, Peruvian Superintendent of Banks, Insurance and Private Pension Funds

CORPORATE BONDS

On January 26, 2012, as part of an international bond issue under Rule 144 and Regulation S of the United States Securities Act of 1933, the Company

placed corporate bonds for up to USD 600 million, with a 10-year term and a fixed annual interest rate of 5.375%.



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16. CORPORATE INFORMATION

SENIOR MANAGEMENT

In 2015, the following people left the Company:

José Estela Ramírez	Energy manager
José Manuel del Águila Zamora	Corporate Project manager
José Antonio Cuadros Obando	Long-term planning manager
Pedro Torres Torres	Accounting and tax manager
Pedro Martínez Recio	Manager of corporate projects and metallurgical research

Juan Ignacio Rosado Gómez de la Torre

Chief executive officer since April 2014. He served as deputy chief executive officer from June 2010 until being appointed chief executive officer. He previously served as vice chairman and finance director at Hochschild Mining Plc. He was a senior project manager at McKinsey & Company from August 2000 to January 2005. He served on the Board of Lake Shore Gold Corp. from March 2008 to June 2010 and the Board of Zincore Metals in 2010 (both companies are listed on the Toronto Stock Exchange).

Mr. Rosado holds a degree in economics from Universidad del Pacífico and an MBA from Ross School of Business, University of Michigan.

Roberto Maldonado Astorga

Chief operations officer since January 2008. From September 2000 to August 2004, he was Volcan's superintendent of engineering and projects, and subsequently general superintendent of the Animón Mine until March 2007. He has also served as project manager at Las Bambas, owned by Xstrata Peru.

Mr. Maldonado has a degree in mining engineering

from Universidad Nacional de Ingeniería and a postgraduate degree in mineral engineering management from Pennsylvania State University.

José Montoya Stahl

Chief business development officer since June 2010. He previously worked at major corporations such as Votorantim Metais, Exsa S.A., and Minera Yanacocha S.R.L., occupying positions in production and planning for underground and open pit mines.

Mr. Montoya has a mining engineering degree from Pontificia Universidad Católica del Peru and a master's degree in mining economics from Colorado School of Mines. He participated in executive development programs at Universidad de Piura and Fundación Don Cabral (Brazil).

Jorge Murillo Núñez

Chief financial officer since December 2013. He served as financial planning and management control manager from January 2011 until December 2013.

His previous positions included financial consultant for KPMG Consulting, financial controller for Peru and Colombia at Bearing Point, deputy corporate

financial planning director at Grupo Gloria and budget manager at Hochschild Mining Plc.

Mr. Murillo has an industrial engineering degree from Pontificia Universidad Católica de Peru, a certificate in finance from the same university, and an MBA from Universidad ESAN.

Paolo Cabrejos Martin

Sales manager since September 2010. He joined Volcan in November 2008 as deputy sales manager. He has 15 years of domestic and international experience in zinc, lead and copper concentrate sales at companies such as Glencore International AG, Louis Dreyfus Commodities, and BHL. He is also a member of the Lead and Zinc Committee of the London Metal Exchange.

Mr. Cabrejos holds a degree in business administration from Universidad del Pacífico.

Alberto Víctor Manuel Gazzo Baca

Human resources manager since December 2012. Prior to that he was human resources manager for Latin America at American Cyanamid Company, human resources director for Latin America at NCH, and general manager of human and organizational development at Votorantim Metais in Brazil and Peru.

Mr. Gazzo has a doctorate in human sciences from Pontificia Universidad Católica de Río de Janeiro in Brazil. He holds a degree in law, philosophy, and theology. He has also earned master's degrees in business management, quality management, and human resources management in Río de Janeiro.

Roberto Servat Pereira de Sousa

Labor & Institutional Relations Manager since December 2010. He began working with Volcan in January 2007 as a legal advisor to the chairman

of the Board of Directors. He previously served as deputy minister of labor, deputy minister of social promotion, an advisor to the minister's office, general director of legal advising, and member of the Advisory Commission of Peru's Ministry of Labor and Employment Promotion, a judge in the Bankruptcy Division in Matters of Fair Competition and Intellectual Property of INDECOPI, and member of the Board of the Superintendency of Healthcare Service Providers.

He is currently a member of the Labor Affairs Commission of the Lima Chamber of Commerce and the Board of the Peruvian Society of Labor and Social Security Law. He is a professor at Universidad de Lima.

Mr. Servat earned a law degree from Universidad de Lima and a master's degree in public administration from the Instituto Ortega y Gasset, affiliated with Universidad Complutense de Madrid.

Renzo Muelle Barzotti

Employee development manager since October 2014. Mr. Muelle joined the Company in April 2011 as deputy corporate manager of employee development.

Previously, he served as human resources manager at Unilever Perú, training manager for Unilever-Andean Region and human resources manager for the food products division of Unilever Colombia.

He has a degree in industrial engineering from Universidad de Lima and a master's degree in strategic management of human capital from Universidad Peruana de Ciencias.

Mario Eduardo de las Casas Vizquerra

Logistics manager at Volcan since February 2010. From 2007 to 2010 he served as deputy manager of contracts, logistics and supplies for the Project

Division of Votorantim Metais, Cajamarquilla Refinery, and from 1998 to 2007 he was logistics manager for Volcan. He worked in the logistics division of Buenaventura S.A. and Minera Yanacocha S.A. from 1990 to 1998.

Mr. De las Casas has a degree in business administration from Universidad Ricardo Palma, completed the PADE program in logistics at Universidad ESAN, and has an MBA from Universidad de Piura.

Alvaro Luis Cabrera Ramirez

Corporate energy manager. He joined Volcan in March 2012. During his career, he has served as energy operations manager and he has been the manager of his division at Sociedad Minera Corona since 2004.

Mr. Cabrera has a degree in electronic engineering from Universidad Peruana de Ciencias Aplicadas (UPC), a master's degree in business administration from EADA (Barcelona) and a postgraduate qualification in energy, electricity and gas law (UPC).

Edgardo Zamora Pérez

Operations manager of the Yauli unit since September 2012. He joined Volcan in May 2000. In 2007 he became general superintendent of Empresa Administradora Chungar S.A.C. and from 2010 to 2012 he served as operations manager.

He has 12 years of professional experience in mine operations. He served as planning superintendent until March 2007.

Mr. Zamora earned a degree in mining engineering from Universidad Nacional Mayor de San Marcos.

James Atalaya Chacon

Operations manager of the Chungar unit since

January 2016. Mr. Atalaya joined the Company in February 2015 as planning superintendent at the Chungar UAE.

Prior to that, he served as planning superintendent at Compañía Minera Ares S.A. and as mining superintendent at Minsur S.A.

Mr. Atalaya has a degree in mining engineering from Pontificia Universidad Católica del Perú, a diploma in mining company management from Universidad del Pacífico, a diploma in finance from the Monterrey Institute of Technology and Higher Education, Mexico, and he also graduated from the master's program in strategic company management at Centrum Católica.

Eduardo Enrique Malpartida Espinoza

Operations manager of Cia. Minera Alpamarca S.A.C, since September 22, 2014. He previously served as operations manager at BRECA Grupo Empresarial – Administración de Empresas S.A.C., general superintendent at Grupo ARUNTANI – Anabí and operations manager at the Arcata, Selene and Pallancata mines owned by Grupo Hochschild Mining Plc.

He has a degree in mining engineering from Universidad Nacional Daniel Alcides Carrión in Cerro de Pasco and a master's degree in operations and logistics management from EOI Escuela de Negocios in Madrid, Spain.

Herman Flores Arévalo

Operations manager at the Cerro de Pasco unit since September 2014 and previously served as operations manager at the Alpamarca unit.

He joined Volcan in 1999 as planning superintendent and mine superintendent at Cerro de Pasco. Before that he worked for Centromin Perú.

Mr. Flores has a degree in mining engineering from Universidad Nacional de Ingeniería and an MBA from Universidad ESAN.

Jorge Simón Chávez Manrique

Geology manager since June 2014. Before that, he was corporate manager of geology and brownfield exploration at Fortuna Silver Mines (2012-2014) and corporate manager of geology and brownfield exploration at Hochschild Mining Plc. (2002-2011).

Mr. Chávez holds a degree in geology from Universidad Nacional de Salta in Argentina and obtained a certificate in strategic management of modern mining from GERENS. He is also a registered as a Qualified Person with the Australian Institute of Mining and Metallurgy (AusIMM), Registered Member 318752.

César Farfán Bernal

Regional explorations manager since December 2010. He served as corporate chief of regional explorations from 2007 to 2010 and general superintendent of the Vinchos mining unit from 2002 to 2007.

He has a degree in geological engineering from Universidad Nacional Mayor de San Marcos, with postgraduate studies in geology-metallogeny at Universidad Central in Quito, Ecuador.

Alfonso Rebaza González

Legal counsel since September 2010. He has experience in corporate and mining law, arbitration and contracts. He was previously a partner with Estudio Osterling and professor of civil law at Pontificia Universidad Católica del Perú.

Mr. Rebaza earned a law degree from Pontificia Universidad Católica del Perú.

Juan Begazo Vizcarra

Audit manager since July 2010. He joined Volcan in December 2008 as administration and control manager. He previously served as CFO at Gold Fields, general controller at Doe Run and accounting manager at Centromin.

Mr. Begazo is a certified public accountant and member of the Committee of Experts in Mining Accounting, and he teaches in the mining management certificate program at Universidad de Lima.

Carlos Eduardo Flores Trelles

Information technology manager since December 2010. He previously served as corporate IT director at Yanbal International Corporation and held various executive IT positions at BellSouth International Corporation. He is a professor at the Business School of Universidad de Lima and the Business School of Pontificia Universidad Católica del Perú.

Mr. Flores has a degree in systems engineering from Universidad de Lima, an MBA in strategic business administration from Centrum PUCP, a postgraduate degree in information security management systems from Centrum PUCP, and has completed the human resource management at Universidad de Piura and the program in organization and administration at Universidad ESAN.

Juan Marceliano Rojas

Occupational health and safety manager since April 2012. Previously he served as superintendent of safety, health, environment and quality at Votorantim Metais-Unidad Cajamarquilla S.A.C. for eight years. He also worked at the Arcata, Ares and Selene production units of Hochschild Mining Plc. as superintendent of mining safety and hygiene.

Mr. Marceliano has a degree in mining engineering and an MBA from Universidad Peruana Union-Lima, with a specialization in business management, finance, and personnel administration. He has also completed courses at the School of Excellence of Grupo Votorantim Metais in Brazil, as well as courses at ESAN and Pontificia Universidad Católica del Perú.

Sergio Giampietri Ramos

Corporate asset security manager since March 2011. He was previously a naval officer, holding various operational positions and serving in high-ranking posts. He was an advisor to a range of private security and commercial diving projects. Throughout his career, he held various positions in special operations units.

Mr. Giampietri has a degree in maritime-naval sciences, an MBA from the Postgraduate School of Universidad San Ignacio de Loyola, and a master's degree in defense analysis from the United States Naval Postgraduate School in Monterey, California. He also earned a postgraduate degree in command, general staff and administration for defense.

Eduardo Julio Magnasco La Torre

Operational excellence manager since November 2010. In his career, he has served as deputy director of airworthiness at the General Directorate for Civil Aviation of Lima, director of quality assurance for Compañía de Aviación Faucett, maintenance manager at Americana de Aviación in Lima, quality control director at TANS Perú and maintenance manager of TACA Perú.

Mr. Magnasco is an aeronautical engineer with experience in operations, maintenance, logistics, regulations, quality, human resources, and administration. He has an MBA from Universidad Diego Portales in Chile.

José Manzaneda Cabala

Manager of metallurgical operations. He joined Volcan in January 2012, after serving as metallurgy manager at Compañía Minera Condestable S.A., Compañía Minera Atacocha S.A., Empresa Minera Iscaycruz, Sociedad Minera El Brocal and Compañía Minera Santa Luisa S.A.

Mr. Manzaneda has a degree in metallurgical engineering from Universidad Nacional de Ingeniería with a master's degree in mineral processing. He teaches part-time at the Graduate School of Metallurgy at Universidad Nacional de Ingeniería and in the geometallurgy specialization at Pontificia Universidad Católica del Perú.

Percy Luis Rivera López

Environmental affairs manager since May 2014. Prior to joining Volcan, he was manager of safety, health and environment at Minsur S.A. and manager of safety, health and environment at Votorantim Metais Cajamarquilla S.A.

Mr. Rivera holds a master's degree in environmental management from Universidad Nacional de Ingeniería and a certificate in quality management and environmental auditing from Universidad Nacional Agraria La Molina. He also has a degree in sanitary engineering from Universidad Nacional de Ingeniería.

David Brian Gleit

Investor relations manager since February 2014. Before that, he was the business development manager. He has extensive professional experience in investment and financial advising. Previously, Mr. Gleit served as marketing and institutional relations director at Aronson+Johnson+Ortiz in Philadelphia, general manager of Compass Perú, founder and general manager of Perú Investment Advisers S.A.C., senior banker at Inteligo Bank Ltda. (part of

Grupo Interbank of Nassau, Bahamas), and CFO at mining contractor STRACON S.A.C.

Mr. Gleit studied literature and economics at the University of Vermont and has an MBA in finance from Drexel University.

Mauricio Scerpella Iturburu

Budgeting and management control manager since February 2014. Previously, he was the mining projects controller and corporate head of cost and budget analysis at Volcan.

Mr. Scerpella obtained an MBA with a specialization in strategy from Monterrey Institute of Technology and Higher Education. He also has a degree in economics from Universidad San Ignacio de Loyola.

Pedro Navarro Neyra

Treasury and administration manager since December 2010. He served as deputy finance manager from 1998 to 2010.

He holds a degree in business administration and a master's degree in business management from Universidad de Piura, as well as a master's degree in strategic financial management from Universidad Peruana de Ciencias Aplicadas in Peru and EOI of Spain.

Willy Antonio Montalvo Callirgos

Accounting and tax manager since September 2015. Prior to that he was a general accountant at Volcan from November 2010. During his career, he has worked as an accountant at the department store chain Ripley S.A., Cia. Minera Ares S.A.C. (Hochschild Mining Plc.), Química Suiza S.A., Corporación Andina de Distribución S.A. (Carsa) and at PricewaterhouseCoopers.

Mr. Montalvo is a certified public accountant who graduated from Universidad San Martín de Porres.

He has a master's degree in strategic business administration from the Centrum Business School. He also has certification in international financial reporting standards and international accounting standards from the Association of Chartered Certified ACCA (London) and the Institute of Chartered Accountants in England and Wales - ICAEW (London), as well as a diploma in tax specialization from the Universidad de Lima.

Jorge Luis Cotrina Luna

Head of shareholder services since November 1999. He held various positions in the banking sector from 1984 to 1999. He has a business administration degree from Universidad Nacional Mayor de San Marcos and studied banking and capital markets at Pontificia Universidad Católica del Perú.

GENERAL INFORMATION

Volcan Compañía Minera S.A.A.

Information about incorporation

Volcan Compañía Minera S.A.A. is a mining company that was incorporated by public deed on February 1, 1998, executed before Notary Public Dr. Abraham Velarde Álvarez, as a result of the merger of Volcan Compañía Minera S.A. and Empresa Minera Mahr Túnel S.A. The company is registered in the Public Mining Registry under Entry 1, Record 41074, Card 11363057 of the Registry of Legal Entities of Lima.

The company is engaged in the exploration, production, and processing of its own ore and

ore from subsidiaries that carry out extraction, concentration, treatment and commercialization of all products and concentrates.

Its activities are classified ISIC category 1320, Mining of non-ferrous metal ores. The Company is a going concern, limited by the availability of ore reserves that may vary according to investments made in explorations and their results.

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