Minsur S.A.

Notes to the separate interim condensed financial statements (unaudited)

1. Company's Background and Business Activities

(a) Identification -
Minsur S.A. (hereinafter, the "Company") was incorporated in Peru in October 1977. The company's activities are regulated by the General Mining Law. The Company is a subsidiary of Investment Breca S.A., a company domiciled in Peru, owner of 99.99 % of the shares representing its capital stock. The registered address of the company it is Calle Las Begonias 441, Of. 338, San Isidro, Lima, Peru.

(b) Business Activity -
The Company's primary business activity is the production and trading of tin metal obtained from extracting ore from San Rafael Mine, located in the Puno region, and the production and trading of gold obtained from Pucamarca Mine, located in the Tacna region.

Through its subsidiary, Latin American Mining S.A., the Company has investments in Mineração Taboca S.A. and subsidiary (which operate a tin mine and a smelting plant in Brazil), in Inversiones Cordillera del Sur Ltda. and subsidiaries (holding of shares of a business group engaged primarily in producing and trading cement in Chile) and in Minera Andes del Sur S.P.A (a company engaged in mining exploration, domiciled in Chile). Also, through Cumbres Andinas S.A. it has investments in Minera Sillustani S.A., Compañia Minera Barbastro S.A.C. and Marcobre S.A.C. (the latter, a subsidiary acquired in 2012, to exploit a copper project), mining sector companies which are at the stage of ore resource exploration and assessment and pre-feasibility studies (Marcobre).

(c) Approval of Separate Financial Statements -
These separate interim condensed financial statements as of December 31, 2015, are issued prior approval of the Company's management on February 15, 2016; and have been prepared in accordance with IAS 34 Interim Financial Statements.
The separate financial statements as of December 31, 2014 and for the year ended on that same date were approved by the General Shareholders' Meeting on March 26, 2015.

2. Bases of Preparation and Accounting Policies

2.1. Bases of Preparation -

The Company's separate interim condensed financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB") in force.

In accordance with the International Financial Reporting Standards (IFRS) in force, there is no obligation to prepare separate financial statements; however, in application of legal norms in Peru, the Company has prepared separate financial statements pursuant to the criteria set out in IAS 27 Separate Financial Statements. These Financial Statements will be made public within the period set out by the Securities Market Superintendency (SMV).

The Separate Financial Statements have been prepared on the basis of the historical cost, save the financial assets at fair value through profit or loss and available-for-sale investments, which are presented at their fair value. The Separate Financial Statements attached hereto are presented in United States Dollars, and all figures have been rounded to thousands, except as otherwise noted.

Preparation of the Separate Financial Statements requires that management use judgment, estimates and assumptions, as detailed in note 3 below.

These separate interim condensed financial statements provide comparative information about the previous period. For a correct interpretation of the separate interim condensed financial statements according to IFRS, these should be read together with the consolidated financial statements.

2.2. Changes in accounting policies and disclosure -
Just as explained in note 2.4, the Company adopted in advance the amended IAS 27, which affected the financial statements issued in previous periods.

2.3. Summary of significant accounting policies -
Following is a description of the significant accounting policies applied by the Company in preparing its separate financial statements:

(a) Cash and cash equivalents -
The cash and cash equivalents heading presented in the separate statement of financial position includes all cash balances, banks and term deposits with a maturity shorter than or equal to three months.

(b) Financial Instruments: Initial recognition and subsequent measurement -
A financial instrument is any agreement that gives rise to a financial asset of an entity and a financial liability or equity instrument of another entity.

(i). Financial Assets -

Recognition and Initial Measurement -
Financial assets are classified, in the initial recognition, as financial assets at fair value through profit or loss, loans and accounts receivable, investments held until maturity, available-for-sale financial assets, or, as derivatives designated as hedging instruments, as appropriate. All financial assets are initially recognized at fair value plus, in the case of financial assets that are not registered at fair value through profit and loss, the transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a set period of time as per a rule or convention of the market (conventional purchases or regular sales-way trades) are recognized on the date of the purchase, i.e. the date on which the Company undertakes to buy or sell the asset.

The Company's financial assets include cash and term deposits, commercial and diverse accounts receivable and financial investments available-for-sale and financial assets at fair value through profit and loss.

Subsequent Measurement -
For purposes of the subsequent measurement, financial assets are classified in four categories:

- Financial asset at fair value through profit and loss
- Loans and Accounts Receivable
- Investments held until maturity
- Financial investments available-for-sale

Financial asset at fair value through profit and loss -

Financial assets at fair value through profit and loss include financial assets held for negotiation and designated financial assets upon initial recognition as at fair value through profit and loss. Financial assets are classified as held for negotiation if they are purchased to be sold or to be repurchased in the short term. Derivatives, including separate embedded derivatives, are also classified as held for negotiation unless designated as effective hedging instruments as defined in IAS 39.

Financial assets at fair value through profit and loss are recorded in the separate statement of financial position at fair value and the net changes in that fair value are presented as financial costs (negative changes) or financial income (positive changes) in the separate profit and loss statement. The Company has classified certain investments in shares as financial assets at fair value through profit and loss (see note 9).

Embedded derivatives in commercial contracts are treated as separate derivatives and recorded at their fair value if their economic characteristics and associated risks are not closely related to the commercial contracts, and these are not held for trading or designated at fair value through profit and loss. These embedded derivatives are measured at their fair value through profit and loss recognized in results.

Loans and Accounts Receivable -
Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments which are not traded in an active market. After initial recognition, these financial assets are subsequently measured at amortized cost using the effective interest method, less any estimate by deterioration. Impairment loss is recognized in the separate profit and loss statement.

This category includes commercial and various accounts receivable.

Investments held until maturity -
The non-derivative financial assets with fixed or determined payments and fixed maturities are classified as held to maturity when the Company has the positive intent and ability to hold them to maturity. As of December 31, 2015, the Company does not possess these financial assets.

Financial investments available-for-sale -
Financial investments available-for-sale includes investments in equity instruments and debt instruments. Investments in equity instruments classified as available-for-sale are those that are not classified as either held to negotiate, nor as at the fair value with changes in results. Debt instruments in this category are those that are intended to be held for indefinite period of time and may be sold in response to liquidity needs or changes in market conditions.

After the initial measurement, financial investments available-for-sale are measured at fair value, and unrealized gains or losses are recognized in other comprehensive results and are credited to the unrealized net gain for financial investments available for sale until the investment is derecognized. Then, the cumulative gain or loss is recognized as an operational gain or loss or, is regarded as impairment of the investment value, where the cumulative loss is reclassified from the reserve by updating the financial investments available for sale in the profit and loss statement as financial costs. Interests earned from financial investments available-for-sale are calculated using the effective interest rate method.

The Company periodically evaluates whether it still has the capacity to sell its financial investments available for sale in the near future. When, in exceptional circumstances, the Company cannot negotiate these financial assets due to inactive markets, the company may choose to reclassify them, if Management has the capacity and intent to negotiate them in the near future until maturity.

As of December 31, 2015, the Company has classified equity and debt instruments as financial investments available for sale.

Derecognition of Financial Assets -
A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- The contractual rights to receive cash flows produced by the asset have expired; or

  (b) The Company has transferred the contractual rights over cash flows produced by the asset, or, an obligation has been undertaken to pay a third party said cash flows in full without significant delay, through a transfer agreement (pass-through arrangement), and (a) all the risks and benefits inherent in the ownership of the assets have been substantially transferred; or, None of the risks and benefits inherent in the ownership of the asset have been substantially transferred or retained but, the control thereon has been transferred. When contractual rights to receive the cash flows produced by the asset have been transferred, or, a transfer agreement has been entered into, the Company evaluates whether, and to what extent, the risks and benefits inherent in the ownership of the asset have been maintained. When the control has not been transferred or retained, the Company continues recognizing for accounting purposes the transferred asset to the extent that the Company remains committed to the asset. In that case, the Company also recognizes the related liability. The transferred asset and related liability are measured so as to reflect the rights and obligations that the company has maintained.

(ii). Impairment of the value of financial assets -

At the end of each reporting period, the Company evaluates whether there is objective evidence that the value of a financial asset or group of financial assets is impaired. Impairment of a value takes place when one or more events occur after the initial recognition of the asset (the "event causing the loss"), which has an impact on the estimated future cash flows of a financial asset or group of financial assets, and that impact may be reliably estimated. Evidence of impairment of the value might include, among others, such indications as debtor or a group of debtors are undergoing significant financial difficulties, breach of, or delayed payment of the debt, capital or interests, the likelihood of filing for bankruptcy, or other form of financial reorganization, or whenever obvious data indicate that there is a measurable decrease in estimated future cash flows such as adverse changes in the status of delayed payments, or in the economic conditions that are correlated with breaches.

Financial assets measured at amortized cost -
For financial assets measured at amortized cost, the Company first evaluates whether there is value impairment, on an individual basis, for financial assets that are individually significant, or, collectively, for financial assets that are not individually significant. If the Company determines that there is no objective evidence of value impairment for a financial asset evaluated individually, regardless of its significance, the Company will include said asset in a group of financial assets with similar characteristics of credit risk, and will evaluate them collectively to find out whether there is value impairment. Assets that are evaluated individually to determine whether there is value impairment and for which an impairment loss is recognized or continues being recognized, are not included in the evaluation of value impairment collectively.

The amount of any value impairment loss identified is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding the expected future credit losses, not incurred yet.) The current value of estimated future cash flows is discounted at the effective interest rate of the original financial assets. If a loan accrues a variable interest rate, the discount rate to measure any value impairment loss is the effective current interest rate.

The carrying amount of an asset is reduced by using a devaluation account estimate and the loss is recognized in the profit and loss statement. The interest earned (registered as financial income in the profit and loss statement) will continue accruing over the carrying amount reduced by applying the interest rate used to discount future cash flows in order to measure value impairment loss. The loans and corresponding estimate are derecognized when there are no realistic expectations of future recovery and all securities that might exist thereon were made effective or transferred to the Company. If, in subsequent years the estimated amount of impairment losses increases or decreases due to an event occurred after the impairment is recognized, the impairment loss previously recognized is incremented or reduced by adjusting the impairment provision. Any amount that would have been derecognized and that is subsequently recovered is recorded as less financial expenditure in the profit and loss statement.

Financial investments available-for-sale -
For financial investments available for sale, at the closing of each reporting period, the Company evaluates whether there is objective evidence that the value of an investment or group of investments is impaired.

In the case of equity instruments classified as available-for-sale, the objective evidence must include a significant or extended decrease of the fair value of investment below its cost. The concept "significant" is evaluated with respect to the original investment cost, and the concept "extended" is evaluated with respect to the period in which the fair value has been below the original cost. Where there is evidence of value impairment, the cumulative loss measured as the difference between acquisition cost and the current fair value, minus any previously recognized impairment loss in the profit and loss statement, is removed from other comprehensive results and is recognized in the statement of income. Impairment loss on investments in equity instruments classified as available for sale are not reversed through the profit and loss statement. Increases in fair value after having recognized impairment are recognized in other comprehensive results.

Determination of what is "significant" or "extended" requires a professional judgment. In this analysis, the Company evaluated, among other factors, the duration of the situations in which the fair value of an investment is below its cost.

In the case of debt instruments classified as financial investments available-for-sale, the evaluation of impairment is performed applying the same criterion used for financial assets carried at amortized cost. However, the amount recorded as impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on said investment previously recognized in the profit and loss statement.

Then, interest income is recognized by updating the carrying value of the reduced asset, using the discount rate applied to the future cash flows taken in measuring the impairment loss. Interest income is recorded as part of the financial income. If, in the future, the fair value of the debt instrument increases and such increase can be objectively related to an event that took place after the impairment loss was recognized in the profit and loss statement, the impairment loss is reversed through the profit and loss statement.

(iii). Financial Liabilities -

Recognition and Initial Measurement -
Financial assets are classified, in the initial recognition, as financial assets at fair value through profit or loss, loans and accounts receivable, investments held until maturity, financial assets available-for-sale, or, as derivatives designated as hedging instruments, as appropriate.

All financial liabilities are initially recognized at fair value and in the case of loans and accounts payable computed at amortized cost, net of directly attributable transaction costs.

The Company's financial liabilities include commercial and diverse accounts payable and financial obligations, including bank overdrafts.

Subsequent Measurement -
Subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit and loss -
Financial liabilities at fair value through profit and loss include financial liabilities held for negotiation, derivatives and designated financial liabilities upon initial recognition as at fair value through profit and loss.

As of December 31, 2015, the Company has no financial liabilities classified at fair value through profit and loss.

Debts and loans -
This is the most significant category for the Company. After initial recognition, financial obligations are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the profit and loss statement

when liabilities are derecognized, and also through the amortization process of the effective interest rate.

Amortized cost is calculated by taking into account any discount or premium in the acquisition and the commissions or costs that are an integral part of the effective interest rate. Amortization of the effective interest rate is recognized as financial cost in the profit and loss statement.

Commercial and diverse accounts payable and financial obligations are included in this category. See notes 14 and 15 for more information.

Derecognition of accounts -
A financial liability is derecognized when the specified obligation in the appropriate contract has been paid or cancelled, or has expired. When an existing financial liability is replaced by another from the same lender under substantially different terms, or, the terms of an existing liability are substantially modified, such change or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference in the relevant carrying amounts is recognized in the statement of income.

(iv). Offsetting of Financial instrument -
Financial assets and financial liabilities are offset so that the net amount is reported on the statement of financial position, if there is a current legally enforceable right to offset the recognized amounts, and if there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(v). Measurement of Fair Value -
The fair value is the price that would be received from selling an asset or that would be paid to transfer a liability in an orderly transaction between participants in a market on the date of measurement. Measurement at fair value is based on the assumption that the transaction to sell the asset or transfer the liability takes place, either:
- In the main market for the asset or liability, or
- In the absence of a main market, in the most advantageous market available to the Company for the asset or liability.

For purposes of disclosure of the fair value, the Company has certain classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of the hierarchy of fair value as explained above.

(c) Derivative Instruments -
Embedded Derivatives -
Tin sale by the company is based on trading agreements, according to which a provisional value is allocated to the sales based on current listed tin price, which are then settled on the basis of future ore contributions. The adjustment of said sales by the closing of the period for filing financial statements is considered as an embedded derivative that needs to be separated from the main contract. The market price is taken from the London Metal Exchange on the reporting date of the financial statements, which is applied to open positions according to the trading agreements at the closing of the period. The embedded derivative does not qualify as hedging instrument; therefore, any changes in fair value are recorded as an adjustment to net sales.

(d) Transactions in foreign currency -

The Company's Separate Financial Statements are presented in US Dollars, which is the Company's functional and presentation currency.

Transactions and Balances -
Transactions in foreign currency (currency other than U.S. Dollars) are initially recorded by the Company at the exchange rates prevailing at the transaction date, published by the Superintendence of Banking, Insurance and AFP. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency using the current exchange rate prevailing at the reporting period closing date. All disputes arising out of settling or converting these monetary items are recorded in the statement of income. Non-monetary items, registered in terms of historical cost, are converted to functional currency using the exchange rates prevailing at the date of the original transaction.

(e) Inventories -
Inventories should be measured at the lower of cost or net realizable value. The inventory carrying costs incurred to bring it to its present location and condition are computed as follows:
Materials and Supplies -
- Purchase price using the weighted average method.

Finished products, products in-process and stockpiles -
- The cost of direct materials and supplies, services provided by third parties, direct labor and a percentage of indirect costs, excluding financing costs and the exchange rate differences.

Inventories receivable -
- Purchasing Cost.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and necessary estimated costs to accomplish the sale.

The provision (reversal) for loss in the net realizable value or obsolescence of supplies is calculated on the basis of a specific analysis conducted on an annual basis by Management and is charged (paid) to results in the year in which the need for the provision is determined (reversal).

(f) Investment in Subsidiaries -
Subsidiaries are entities over which the Company has control. Control is achieved when the Company is exposed, or has the right to variable yields from its participation in the investee entity and has the capacity to affect these yields through its power in the investee. Specifically, the investor controls an investee if and only if it has: (i) power over the investee entity (i.e., there are the rights granting it the present capacity of conducting the relevant activities thereof), (ii) exposure or right to variable yields from its participation in the investee entity, and (iii) the capacity to use its power over the investee entity to affect its yield. Investments in Subsidiaries are initially recognized at cost, and their later measurement is through changes in the Company's participation in the results of the subsidiaries. The profit and loss statement reflects the Company's participation in the results of the operations of the subsidiaries. Resulting gains and losses

of common transactions are eliminated in proportion to the participation held in subsidiaries.

The Company's and subsidiaries' reporting dates are identical and the accounting policies of the subsidiaries are consistent with the ones used by the Company for similar transactions and events.

After applying the equity participation method, the Company determines whether it is necessary to recognize an additional loss for impairment of investments in subsidiaries. The Company identifies at each date of the statement of financial position if there is objective evidence that the investment in subsidiaries has lost value. If this were the case, the Company calculates the amount of impairment as the difference between the fair value of investment in the subsidiary and the carrying value and recognizes the loss in the separate profit and loss statement.

(g) Investment in affiliates -
An affiliate is an entity over which the Company has significant influence. Significant influence is the power to participate in decision-making on financial and operating policies of the affiliate, but without exercising control over these policies. The Company's investments in its affiliates are recorded using the equity participation method. The highest value paid in the acquisition of an affiliate is included in the book value of the investment, and is not amortized or individually subjected to impairment testing of its value.

The Company determines if it is necessary to recognize an impairment loss of investment in affiliates at each reporting date. Where applicable, the Company calculates the amount of impairment as the difference between the fair value of the investment and the acquisition cost and recognizes the loss in the separate profit and loss statement.

(h) Property, plant and equipment -
Property, plant and equipment is presented at cost, net of accumulated depreciation and any accumulated impairment losses, if any. This cost includes the cost of replacing a portion of the property, plant or equipment and financing costs for long-term construction projects if the recognition criteria are met. The current value of the expected cost of dismantling the asset and rehabilitating the site where it is located is presented in this heading. The value of a leasing contract is also included under this heading. When replacement of significant parts of Property, plant and equipment is required, the Company recognizes these parts as individual assets with specific useful lives and depreciates the same. Also, when a major inspection is conducted, its cost is recognized in the book value of the plant and equipment as replacement if the recognition criteria are met. All other maintenance and repair costs are recognized in results, as incurred.

The current value of the estimated cost for dismantling an asset after completion of its period of use is included in the estimated cost, to the extent that the requirements to recognize the relevant provision are met. For more information on the provision recorded for dismantling, see 2.3 (n).

Depreciation -
Units-of-production method
Depreciation of assets directly related to mine operations is calculated using the units-of-production method, which is based on economically recoverable reserves of each mine.

Straight-line Method

Depreciation of assets with shorter economic life than the useful life of the mine, or that are related to administrative work, is computed through the Straight-line Method on the basis of an estimated useful life of the asset. The estimated useful lives are the following:

Years Buildings and Constructions of San Rafael mine	Between 2 and 4
Buildings and constructions of the Pucamarca mine	Between 3 and 5
Buildings and constructions of the Pisco smelting Plant	Between 4 and 29
Machinery and equipment	Between 1 and 6
Transport units	Between 3 and 6
Furniture and fixtures	Between 2 and 7
Communication and security equipment	Between 2 and 10

The residual value, useful lives and depreciation method of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition of Assets -
A Property, plant and equipment item, and any significant component initially recognized is derecognized after disposal or when no future economic benefit is expected from their use or disposal. Gain or loss resulting from derecognizing the asset (calculated as the difference between the net income from disposal and the book value of the asset) is included in the profit and loss statement when the asset is derecognized.

(i) Leasing -
Determination of whether an agreement is, or contains, a finance lease is based on the essence of the agreement as of the date of execution, be it that fulfillment of the agreement depend on the use of a specific asset or that the agreement grants the right of use of the asset, even if said a right is not explicitly expressed in the agreement.

A lease is classified on the start date as a financial lease or an operating lease.

A lease transferring to the Company substantially all the risks and benefits inherent in the ownership, is classified as financial lease.

Financial Lease:
Financial leases transferring to the Company substantially all the risks and benefits inherent in the ownership of the leased asset are capitalized on the start date of the lease at fair value of the leased property or, if the amount were lower, the current value of minimum lease payments. Lease payments are apportioned between finance charges and the reduction of the liability for lease so as to achieve a constant interest rate over the remaining balance of the liability. Finance charges are recognized in the financial costs in the separate profit and loss statement.

A leased asset is depreciated over its useful life. However, if there is no reasonable assurance that the Company will gain ownership at the end of the lease period, the asset will be depreciated over the estimated useful life of the asset or the term of the lease, whichever is shorter.

Operating Lease:

The operating lease payments are recognized as operating expenses in the separate profit and loss statement on the basis of linear depreciation over the term of the lease.

(j) Mining Concessions -

Mining concessions represent the Company's ownership right of exploration and exploitation of the mining properties that contain the acquired ore reserves and resources. Mining concessions are presented at cost and depreciated from the beginning of the production stage applying the units-of-production method, using as basis the proven and probable reserves with which they relate. Should the Company abandon such concessions, the associated costs are punished in the separate profit and loss statement.

At the end of each year, the Company assesses each mining unit to find indications that the value of the mining concession has deteriorated. In which case, the Company makes an estimate of the recoverable amount of the asset.

Mining concessions are presented under the heading "Intangible Assets, net" in the separate profit and loss statement.

(k) Costs of exploration, mine development and stripping -

Exploration Costs -

Exploration costs are charged to expenditures as incurred. These costs mainly include fuels and materials used, costs of topographic surveying, drilling costs and payments made to contractors.

The exploration and assessment activities include:

- Search and analysis of historical data of explorations.
- Enhancing exploratory data through geological studies.
- Drilling and exploration sampling.
- Determination and evaluation of the volumes and grades of resources.
- Topographic transport and infrastructure requirements.
- Financial and market studies.

Development Costs -

If Company determines that a mining property might be economically viable, -that is, if the existence of proven and probable reserves is determined-, the costs incurred to develop the property, including the additional costs to delineate the ore body and remove the impurities therein contained, are capitalized as development costs in the "cost of Development" item. These costs are amortized applying the units-of-production method using as basis the proven and probable reserves.

Development activities include:

- Engineering and Metallurgical Surveys.
- Drilling and other costs required to delineate an ore body.
- Removal of the initial stripping related to an ore body.

The development costs needed to maintain production are charged to production cost as incurred.

Cost of removing burrow (stripping costs) -

As part of its mining operations, the Company incurs stripping costs during the development and production stages. Stripping costs incurred at the mine development stage, by the start of the production phase (development stripping), are capitalized as development costs and subsequently depreciated taking into account the useful life of the mine using the units-of-production method. Capitalization of development stripping costs ceases when the mine starts production.

Development stripping costs may be related to inventory production or to better access to the ore to be exploited in the future. Costs related to inventory production are recorded as part of the inventory production cost. Costs that allow access to the ore to be exploited in the future are recognized as non-current assets (stripping costs) provided the following conditions are in place:

- It is likely that future economic benefits will arise;
- Components may be identified in the deposit which access will be improved; and
- The costs associated with the improved access can be reliably measured.

To identify components in a deposit, the Company works closely with the operations area staff to analyze mine plans. Typically, a deposit has several components, although identification of the components may vary from mine to mine for different reasons.

Basically, the development stripping costs incurred by the Company relate to inventory production and not to better access to the ore to be exploited in the future.

(l) Land Usufruct -

Relates to payments for right of use of adjoining lands to the Company's mines, needed for its operation and are recorded at cost. These costs are amortized applying the straight-line method based on the term of the agreements (about 10 to 15 years).

(m) Impairment of Financial Assets -

At the closing of each reporting period, the Company evaluates whether there is indication that an asset might be impaired in value. In which case or, if an annual impairment test in the value of an asset is required, the Company estimates the recoverable amount of that asset. The recoverable amount of an asset is the higher value between the fair value less sale costs, either of an asset or a cash-generating unit, and its value in use, and it is determined for an individual asset, unless the asset does not produce cash flows that are substantially independent of those of the other assets or groups of assets. When the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, the asset is considered impaired and its value is reduced to its recoverable amount.

In evaluating the value in use of an asset, the estimated cash flows are discounted at their present value applying a pre-tax discount rate reflecting the current market assessments on the time value of money and the specific risks to the asset. In determining the fair value less sale costs, recent market transactions are taken into account, if any. If this type of transaction may not be identified, a suitable pricing model is applied.

The fair value for mining assets is generally determined according to the current value of future cash flows arising from the continued use of the asset, which include such estimates as the cost of future expansion plans, using assumptions that a third person might take into account. Cash flows are discounted to their present value applying a discount rate reflecting the current market assessment of the time value of money and the specific risks to the asset or cash-generating unit.

The Company has assessed the operations for each mine as cash-generating units, considering the operation of each mining unit independently.

Value impairment losses corresponding to ongoing operations including inventory impairment, are recognized in the separate profit and loss statement in the expenditure categories consistent with the role of the impaired asset.

For assets in general, at the closing of each reporting period, an evaluation is carried out on the existence of an indication that the value impairment losses previously recognized no longer exist or have decreased. In which case, the Company makes an estimate of the recoverable amount of the asset or cash-generating unit. A previously recognized value impairment loss is only reverted if there is a change in the assumptions used to determine the recoverable amount of the asset since the last time a value impairment loss of that asset was recognized. Reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or, the amount in books that would have been determined, net of accumulated depreciation, if no loss would have been recognized as value impairment loss in previous years. Such reversal is recognized in the separate profit and loss statement.

(n) Provisions -

General -

A provision is recognized when the Company has a current obligation (legal or implied) resulting from a past event, it is likely that disbursement of resources be needed to settle, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate reflecting, as appropriate, the specific risks of the liability. When discounted, the increase in the provision by the passage of time is recognized as a financial cost.

Provision for closure of mines -

The Company records the current value of the estimated costs of the legal and implicit obligations required to restore the operating facilities in the period in which the obligation is incurred. Mine closure costs are presented at the current value of the expected costs to settle the obligation, using estimated cash flows, and are recognized as integral part of the cost of each particular asset. Cash flows are discounted at risk-free market rate before tax. Earned discount is recorded as expenditure as incurred and is recognized in the profit and loss statement as financial cost. Estimated future costs of mine closure are reviewed annually and adjusted, as appropriate, on an annual basis. Changes in the estimated future costs or discount rate applied are added to the cost of the related asset or deducted therefrom.

In the case of mines already closed, changes in the estimated costs are recognized immediately in the separate profit and loss statement.

Environmental Costs and Liabilities -

Environmental costs related to current or future income are recorded as expense or capitalized, as appropriate. Costs related to an existing condition caused by past operations and which do not contribute to current or future income are recognized as expense.

Environmental liability costs are recorded when remediation is likely to occur and the associated costs can be reliably estimated. Typically, recognition of these provisions correlates with the commitment of a formal action plan or, if earlier, with the dismantling or closure of inactive units.

The amount recognized is the best estimate of the expenditure required. If the liability is not settled for several years, the recognized amount is the current value of future estimated expenditures.

(o) Revenue Recognition -

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the collection takes place. Revenue is measured at the fair value of the consideration received or receivable taking into account the payment agreements contractually defined and excluding duties and taxes. The following specific criteria must be met for revenue to be recognized:

Sale of metals -

Tin and gold sales are recorded when the Company has delivered the product at the place agreed to by client, client has accepted the product, and collection of the relevant accounts receivable are reasonably guaranteed.

Rental Income -

Revenues from rental properties are recognized as earned and the contractual terms and conditions relating thereto are met.

Interests Income -

As to all financial instruments measured at amortized cost, interest revenue is recorded applying the effective interest rate method. The effective interest rate is the rate that accurately discounts future payments or collections estimated throughout the life of the financial instrument or a shorter period, as appropriate, at book value of the financial asset or liability. The financial revenue is presented separately in the separate profit and loss statement.

(p) Financing Costs -

Financing costs directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized and added to the cost of the project until the assets are considered substantially ready to be used as planned, that is, when they are capable of generating commercial production. All other borrowing costs are recognized in the separate profit and loss statement in the period in which they are incurred. Financing costs include interests and other costs incurred by the Company for securing financing.

When the funds used to finance a project are part of general financing, the capitalized amount is calculated using the weighted average of the applicable rates to the relevant general financings of the Company during the period. All other financing costs are recognized in the separate profit and loss statement in the period in which they are incurred.

(q) Tax -

Current Income Tax -

Current income tax assets and liabilities are recognized in the amounts that are expected to be recovered from or paid to the tax authority. Tax rates and tax rules used to compute these amounts are the ones in force or whose approval procedure is nearing completion, at the closing of each reporting period, corresponding to Peru, a country where the Company operates and generates profits subject to the tax.

Current income tax related to items that are recognized directly in equity, is also recognized in equity and not in the separate profit and loss statement. Management periodically assesses the positions taken in the tax returns with regard to situations in which the tax rules are subject to interpretation, and establishes provisions where appropriate.

Deferred Income Tax -

Deferred income tax is recognized applying the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the closing of each reporting period.

Deferred tax liability is recognized for all temporary tax differences, except for those related to investments in subsidiaries and affiliates, if and when the reversal opportunity may be controlled, and it is probable that they are not reversed in the foreseeable future.

Deferred tax asset is recognized for all deductible temporary differences, and for the future compensation of unused tax credit and tax loss carryforward, to the extent that it is anticipated that they can be utilized against available future taxable profits to offset such deductible temporary differences, and/or the tax credit or tax loss carryforward may be used. Significant judgment is required by Management in determining the amount of deferred assets which may be recognized based on the probable date of recovery and the level of future taxable income, as well as of future tax planning strategies.

The carrying amount of the deferred tax asset is checked at the closing of each reporting period and is reduced to the extent that the existence of sufficient future taxable income is no longer probable to allow these deferred tax assets to be wholly or partially used. Unrecognized deferred tax asset is rechecked at the closing of each reporting period and is recognized to the extent that the existence of future taxable income becomes probable to allow recovering such previously unrecognized deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period in which the asset is realized or the liability paid for, on the basis of the tax rates and tax rules that were adopted at the closing of each reporting period, or whose approval procedure is about to be completed by that date.

Deferred income tax related to items recognized outside profit and loss is also recognized outside profit and loss. These items are recognized in correlation with underlying transactions to which they relate, either in other comprehensive results or directly in the net equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set-off current tax assets against current tax liabilities, and if deferred income tax is levied by the same tax authority and in the same tax jurisdiction.

Mining Royalties and Special Mining Tax in Peru -
Mining royalties and the special mining tax are computed in accordance with IAS 12 "Income Tax", as they have the characteristics of an income tax. That is, they are levied by the Government and are based on net expense income after adjusting temporary differences, instead of being calculated on the basis of the quantity produced or at a percentage of the income. The legal rules and rates used to calculate the amounts payable are those in effect on the date of the separate statement of financial position.

Consequently, payments made to the Government on account of Mining Royalty and Special Mining Tax are within the scope of IAS 12 and, therefore, are treated as income tax. Both, the Mining Royalty and Special Mining Tax produce deferred assets or liabilities which must be measured using the average rates that are expected to be applied to operating profits in the quarters in which the Company expects them to reverse the temporary differences.

Sales Tax -
Revenues from ordinary activities, expenditures, and assets are recognized excluding the amount of any sales tax (value added tax), except:

(i). When the sales tax incurred in an acquisition of an asset or in the provision of services is not recoverable from the Tax Authority, in which case said tax is recognized as part of the acquisition cost of the asset or as part of the expenditure, as appropriate;

(ii). Accounts receivable and payable that are already expressed including the amount of sales taxes.

The net amount of sales tax recoverable from, or payable to, the taxation authority, is presented as an account receivable or an account payable in the separate statement of financial position, as appropriate.

(r) Classification as Current or Non-current
The Company presents assets and liabilities in the statement of financial position based on the classification as current /non-current. An asset is current when:

- The asset is expected to be realized or intended to be sold or consumed during its normal cycle of operation.
- The asset is mainly maintains for trading purposes.
- The asset is expected to be realized within twelve months following the reporting period; or
- The asset is cash or cash equivalent, unless it is restricted and cannot be exchanged nor used to cancel a liability, for a minimum period of twelve months following the reporting period.

All other assets are classified as non-current. A liability is classified as current when the entity:

- Expects to settle liabilities during its normal cycle of operation.
- Maintains the asset mainly for trading purposes.
- The liability should be settled within twelve months following the reporting period; or
- Does not have an unconditional right to defer the payment of the liability for at least twelve months following the closing date of the reporting period.

The Company classifies all the other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.4. New rules and interpretations -

Since December 31, 2015 the Company has not early adopted any other rule, interpretation, or modification that has been issued but not enforced.

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the amounts of income, expenses, assets and liabilities reported, and the attached disclosures. Uncertainty on these assumptions and estimates could produce results that require a material adjustment of the carrying value of the affected assets and liabilities in future periods.

3.1. Judgments -

In implementing the accounting policies of the Company, Management has made the following judgments, which have a significant effect on the recognized amounts in these separate financial statements:

(a) Contingent Process (note 29) -

By nature, these processes will be settled only when one or more future events occur or fail to occur. Evaluating the existence and the potential number of contingencies inherently implies exercising critical judgment and using estimates about the results of future events.

(b) Recovery of deferred tax assets - (note 2.3 (q)) -

(c) Costs of exploration and evaluation - (note 2.3 (k)) -

(d) Functional Currency - (note 2.3 (d)) -

3.2. Estimates and Assumptions -

Listed below are the key assumptions related to the future and other key sources of estimates of uncertainties at the date of the separate financial statements:

(a) Estimation of reserves and ore resources -

The Company calculates its reserves applying the methods typically applied in the mining industry and in accordance with international guidelines. All reserves calculated represent estimated quantities of proven and probable ore which, under the current conditions can be economically and legally processed.

The process of estimating the amounts of reserves is complex and requires subjective decision-making in assessing all the geophysical and geological, engineering and economic data available. Review of reserve estimates might take place due to, among others, review of geological data or assumptions, changes in assumed prices, production costs, and results of exploration activities.

Changes in reserve estimates might mainly affect the carrying value of mining concessions, the cost of development, and Property, plant and equipment; charges to depreciation and amortization results; and, the carrying value of the provision for closure of mines.

(b) Units of production depreciation method (note 2.3 (h)) -
(c) Provision for closure of mines (note 2.3 (n) and note 16 (b)) -
(d) Determination of the net realizable value of inventories (note 2.3 (e) and note 8) -
(e) Impairment of non-financial assets (note 2.3 (m))

4. Issued but not effective standards

The standards and interpretations applicable to the Company that have been published, but are not effective to the date of issuance of the Company's financial statements, are described below. The Company expects to adopt these standards, if applicable, as they come into force.

IAS 9, “Financial Instruments"
In July 2014, the IASB issued the final version of the IFRS 9 "Financial Instruments" which covers all phases of the project on financial instruments and replaces IAS 39 "Financial Instruments: Recognition and Measurement" and all previous versions of IFRS 9. The Standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The IFRS 9 is effective for annual periods beginning on or after January 1, 2018, allowing early adoption before that date. Retroactive application is allowed, but comparison data is not mandatory. Early application of previous versions of the early application of IFRS 9 (2009, 2010 and 2013) is allowed if the date of the initial application is before February 1, 2015. The Company will analyze the impact of these Standards and plans to adopt them on the date they enter into force.

IFRS 15 "Revenue from Contracts with Clients"
The IFRS 15 was issued in May 2014 and established a five step model to be applied to revenues arising from contracts with clients. Under the IFRS 15, revenue is recognized in an amount that reflects the contractual consideration agreed upon with client. The principles in the IFRS 15 provide a more structured approach to measure and recognize revenue.

The new standard on revenues applies to all entities and replaces all the requirements of revenue recognition under IFRS. A full retroactive or modified application is required for the annual periods beginning on January 1, 2017, allowing early adoption before that date. The Company will analyze the impact of the IFRS 15 and plans to adopt it on the date it enters into force.

Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortization".
The amendments clarify the principle of IAS 16 and IAS 38 that revenues reflect a pattern of the economic benefits that are generated from operating a business (of which the asset is part) in place of the economic benefits that are consumed through the use of the asset. As a result, a method based on revenues cannot be used to depreciate Property, plant and equipment and can only be used in very limited circumstances to amortize intangible assets.

These amendments apply to the periods that start on January 1, 2016, inclusive, although allowing early adoption before that date. This amendment is not expected to be relevant to the company, because the Company does not apply a method based on revenues to depreciate its non-current assets.

5. Transactions in foreign currency

Operations in foreign currency (mainly in Nuevos Soles) are made at free-market exchange rates published by the Superintendence of Banking, Insurance and AFP. As of December 31, 2015, the weighted average exchange rates of free market for transactions in Nuevos Soles are US$ 0.2936 for purchase and US$ 0.2930 for sale (US$ 0.3355 for purchase and US$ 0.3346 for sale to December 31, 2014).

As of December 31, 2015 and December 31, 2014, the Company had the following assets and liabilities in Nuevos Soles:

	As of December 31, 2015		As of December 31, 2014	
	S/.(000)	Equivalent in US$(000)	S/.(000)	Equivalent in US$(000)
Assets				
Cash and cash equivalents	129	37	1,345	451
Commercial and diverse Accounts Receivable	89,190	15,919	29,143	9,183
Other assets	22,113	6,484	6,076	2,038
Income Tax Credit Balance	8,814	3,061	26,379	8,849
	120,246	25,501	62,943	20,521
Liabilities				
Commercial and diverse Accounts Payable	(83,098)	(23,532)	(178,327)	(59,661)
Liability position, net	**37,148**	**1,969**	**(115,384)**	**(39,140)**

As of December 31, 2015 and December 31, 2014, the Company has no financial instruments to cover exchange risk in its operations in foreign currency.

6. Cash and cash equivalents

(a) This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Fixed and fixed fund	8	91
Current bank accounts (b)	42,377	2,052
Term Deposits (c)	160,746	81,343
Demand Deposits (d)	179,796	305,176
Funds subject to restriction	75	50
Total	**383,001**	**388,712**

(b) As of December 31, 2015 and December 31, 2014, the Company keeps its deposits in current accounts at first tier domestic and foreign banks and are freely available.

(c) Term Deposits with maturities greater than 180 days which may be renewed at maturity. As of December 31, 2015 and December 31, 2014, these deposits accrued interests calculated at current market rates.

(d) Demand deposits (overnight deposits) are one-day deposits in an offshore bank, bearing interests at current market rates.

7. Commercial and diverse accounts receivable, net

(a) This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Commercial	45,104	42,279
Related (note 22)	629	82,514
Diverse:		
Tax Credit	6,484	7,515
Others	6,350	4,552
	12,834	12,067
Total	**58,567**	**136,860**
Classification by Maturity		
Current	58,567	54,922
Non-Current	-	81,938
Total	**58,567**	**136,860**

(b) As of December 31, 2015, accounts receivable do not accrue commercial interests and have no specific guarantees. In the process of estimating the provision for doubtful accounts, the Company's Management continuously analyses market conditions, for which it uses aging analysis for commercial operations.

(c) In the opinion of the Company's Management, the estimate of doubtful accounts as of December 31, 2015 and December 31, 2014 adequately covers the credit risk of these headings to those dates.

Following, the activity of doubtful accounts estimate:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Balance	2,587	1,174
Provision for the year, note 23	0	1,413
Final Balance	**2,587**	**2,587**

(d) The aging analysis of commercial accounts receivable as of December 31, 2015 and December 31, 2014 is the following:

			Past Due, but not impaired				
	Total	Neither Past Due, nor Impaired	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	> 120 days
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
As of 12.31.2015	45,104	39,846	-	5,311	1	(54)	-
As of 12.31.2014	42,279	40,893	-	-	-	1,386	-

8. Inventories, net

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Finished Products	16,294	20.444
Products in-Process	23,304	29.057
Materials and Supplies	24,111	20.961
Inventory Receivable	24	246
	63,733	70.708
Estimation for devaluation	(2,301)	(2,166)
Total	**61,432**	**68.542**

9. Financial asset at fair value through profit and loss

(a) As of December 31, 2015 and December 31, 2014, the Company keeps an investment in shares of BBVA of Spain for US$ 7,588,000 and US$ 8,155,000, respectively. BBVA of Spain is an entity of recognized prestige in the international market; therefore, its level of risk is very low.

(b) As of December 31, 2015 and December 31, 2014, the fair value of this investment classified as financial assets at fair value through profit and loss has been determined on the basis of its listing on the Spanish Stock Exchange. Following is the activity of the item:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Balance	8,155	10,129
Changes in fair value	(567)	(1,974)
Final Balance	**7,588**	**8,155**

(c) As of December 31, 2015 the Company received cash dividends from the BBVA of Spain for US$ 78.000 (US$ 91.000 in 2014), which were charged to the income of the year.

10. Financial investments available-for-sale

(a) Financial investments available for sale include the following:

	As of 12.31.2015			
	Cost	Unrealized Earnings	Interest due	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)
Publicly Listed Mutual Funds	125,000	998	-	125,998
Certificates of Deposit not publicly listed publicly listed	65,000	(182)	1,683	66,501
Banco Colombia	30,000	(280)	689	30,409
Bank of Bogota	35,000	98	994	36,092
Total	**190,000**	**816**	**1,683**	**192,499**

	As of 12.31.2014			
	Cost	Unrealized Earnings	Interest due	Fair Value
	US$(000)	US$(000)	US$(000)	US$(000)
Publicly Listed Mutual Funds	125,000	(454)	-	124,546
Certificates of Deposit not publicly listed publicly listed	65,000	(201)	231	65,030
Total	**190,000**	**(655)**	**231**	**189,576**

The fair value of mutual funds is determined on the basis of public price quotations in an active market. The fair value of the certificates of deposit without public quotation is estimated based on discounted cash flows using available market rates for debt instruments of similar conditions, maturity and credit risk.

(b) The activity of investments available for sale is presented below:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Balance	189,576	-
Purchase of investments	-	190,000
Fair value recorded in other comprehensive income	1,471	(655)
Interests earned on certificates of deposit	1,452	231
Final Balance	**192,499**	**189,576**

11. Investment in subsidiaries affiliates -

(a) This item comprises the following:

	Equity as of 12.31.2015	Equity as of 12.31.2014	Participation 12.31.2015	Equity 12.31.2014
	%	%	US$(000)	US$(000)
Subsidiarie				
Minera Latinoamericana S.A.C.	99.99	99.99	396,463	505,243
Cumbres Andinas S.A.	99.97	99.97	37,889	547,522
Minsur U.S.A. Inc.	99.99	99.99	292	200
			434,644	1,052,965
Affiliates				
Rimac Seguros y Reaseguros.	14.51	14.51	47,566	62,902
Servicios Aeronauticos Unidos S.A	47.50	47.50	3,592	4,078
Explosivos S.A.	7.30	7.30	7,922	7,340
Futura Consorcio Inmobiliario S.A	4.96	4.96	5,304	5,097
			64,384	79,417
Total			**499,028**	**1,132,382**

The Company has recognized its investments in Rimac Seguros y Reaseguros, Explosivos S.A. and Futura Consorcio Inmobiliario S.A.C, as related investments considering that, together with Inversiones Breca (Company's parent company), it has the capacity to exercise significant influence on the Board of Directors of these companies, which are operated as part of an economic group.

(b) Following the details of the Company's participation in the results of the subsidiaries and affiliates:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Minera Latinoamericana S.A.C.	(78,386)	(65,527)
Cumbres Andinas S.A.	(528,771)	(31,917)
Minsur U.S.A. Inc.	92	(8)
Rimac Seguros y Reaseguros	11,866	11,717
Servicios Aeronauticos Unidos S.A.C.	(486)	(152)
Explosivos S.A.	(471)	665
Futura Consorcio Inmobiliario S.A.	916	863
Final Balance	**(595,240)**	**(84,359)**

(c) Relevant data on subsidiaries -

Minera Latinoamericana S.A.C. - Minlat
The corporate purpose of this subsidiary is the exploration and exploitation of mineral rights and, in

general, any other activity directly or indirectly comprised in the mining industry, both in the Peruvian territory and abroad. Through Minlat, the Company has investments in Mineração Taboca S.A. (with tin mine and a smelting plant in Brazil), in Inversiones Cordillera del Sur S.A. (holding of business group engaged primarily in producing and trading cement in Chile) and in Minera Andes del Sur S.P.A. (a company engaged in mining exploration, domiciled in Chile).

The following are subsidiaries of Minlat:

(i). Mineração Taboca S.A.
Taboca is a mining company whose main operation is the Pitinga mine, located in the northeast region of the state of Amazonas, in the Federative Republic of Brazil. This mine basically produces tin concentrate. Taboca also operates the Pirapora smelting plant in Sao Paulo.

(ii). Inversiones Cordillera del Sur S.A.
Holding company owner of a corporate group primarily engaged in the production and trading of cement in Chile, ready-mixed concrete, pre-dosed and arid mortar.

(iii). Minera Andes del Sur S.P.A.
Holding company mainly engaged in executing mining exploration projects in Chile.

The investment activity in Minlat is the following:

	As of 12.31.2015	**As of 12.31.2014**
	US$(000)	US$(000)
Initial Balance	505,243	639,961
Participation in net loss	(78,386)	(65,527)
Contributions grated	95,002	-
Conversion	(128,628)	(74,191)
Revaluation Surplus	(1,190)	3,525
Non-realized profits	(42)	1,153
Other adjustments	4,464	322
Final Balance	**396,463**	**505,243**

Cumbres Andinas S.A.

The corporate purpose of this subsidiary is the exploration and exploitation of mineral rights and, in general, any other activity directly or indirectly comprised in the mining industry. At present, the activities of the Company are limited to the holding of shares of mining companies at their exploration stage (Minera Sillustani S.A. and Compañia Minera Barbastro S.A.C.) and Marcobre S.A.C., in the pre-feasibility stage (hereinafter "Sillustani", "Barbastro" and "Marcobre", respectively).

Marcobre S.A.C. subsidiary has been surveying the copper mining project named "Mina Justa" located in Nazca (Peru). Cumbres Andinas S.A. has a 70% share in Marcobre S.A.C. and 99.99 % in the subsidiaries Barbastro and Sillustani.

Following is the investment activity in Cumbres Andinas S.A.:

	As of 12.31.2015	As of 12.31.2014
Initial Balance more (less)	547,522	542,120
Participation in net loss	(528,771)	(31,917)
Contributions grated	24,580	38,310
Conversion	(713)	(844)
Other adjustments	(296)	(147)
Other results	(4,433)	-
Final Balance	**37,889**	**547,522**

c) Investment activities in affiliates and relevant data on the affiliates:

Rimac Seguros y Reaseguros
The main economic activity of this affiliate domiciled in Peru, comprises contracting and handling general risk and life insurance and reinsurance operations, as well as financial and real estate investments and related activities.

The investment activity in Rimac Seguros y Reaseguros is the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Balance more (less)	62,9021	54,656
Participation in net profit	1,866	1,717
Unrealized profit	(17,707)	1,630
Conversion	(7,100)	(4,171)
Dividends	(2,543)	(944)
Others	148	14
Final Balance	**47,566**	**62,902**

Servicios Aeronauticos Unidos S.A.C.- SAUSAC
The corporate purpose of this affiliate domiciled in Peru, is to provide air transport services for passengers, cargo and mail, prospecting, aircraft maintenance and trading spare parts for civil aviation. In General Meeting of Shareholders of Servicios Aeronauticos Unidos S.A.C. dated February 14, 2014, reduction of each shareholder was agreed in proportion to their participation in the capital stock.

The investment activity in Servicios Aeronauticos Unidos S.A.C. is the following:

	As of 12.31.2015	As of 12.31.2014
Initial Balance more (less)	4,078	15,600
Participation in net profit	(486)	(152)
Capital Reduction	-	(11,370)
Final Balance	**3,592**	**4,078**

Explosivos S.A.
The economic activity of this affiliate domiciled in Peru, comprises manufacturing, domestic sale, and exporting packaged explosives, accessories and blasting agents; it is also engaged in the provision of blasting services, and all kinds of services and supporting works for mining companies.

The investment activity in Explosivos S.A. is the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Balance	7,340	7,729
more (less)	(471)	665
Conversion	1,053	(653)
Dividends	-	(401)
Final Balance	**7,922**	**7,340**

12. Property, plant and equipment, net

(a) The composition and activity of the item is as follows:

	Balance to the 01.01.2015	Additions	Derecognition and Adjustments	Trans-fers	Balance to the 12.31.2015
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
Cost -	12,050	1,962	30	-	14,042
Land	333,857	7	-	7,688	341,552
Buildings and constructions,	231,442	-	(3,823)	7,951	235,570
Machinery and Equipment					
Furniture, furnishings and IT equipment	5,295	-	(16)	(256)	5,023
Communication and security	1,438	-	(2)	45	1,481
equipment	4,935	-	(328)	572	5,179
Transport Units to	808	-	(808)	-	-
receive Works in	10,730	25,834	-	(15,066)	21,498
progress Financial Lease	4,594	-	-	(934)	3,660
Mine Closure	56,237	3,309	-	-	59,546
	661,386	31,112	(4,947)	-	687,551
Cumulative Depreciation -					
Buildings and constructions	144,774	39,121	-	-	183,895
Machinery and equipment	162,805	12,397	(2,251)	215	173,166
Furniture, fixtures and					
IT equipment, Communication and	3,687	335	(15)	(371)	3,636
Security equipment	214	179	(1)	371	763
Transport units	3,122	502	(321)	179	3,482
Financial lease	1,139	617	-	(394)	1,362
Mine Closure	25,621	6,496	-	-	32,117
	341,362	59,647	(2,588)	-	398,421
Net Cost	**320,024**				**289,130**

(b) Depreciation expense has been distributed in the separate profit and loss statement, as follows:

	12.31.2015	12.31.2014
	US$(000)	US$(000)
Sale Expenses, note 21	63,757	56,060
Administration Expenses, note 22	317	309
Sale Expenses, note 23	7	7
Exploration & Survey Expenses, note 24	308	136
Other operating expenses, note 25	251	283
Total	**64,640**	**56,795**

(c) As of December 31, 2015, management has not found value impairment loss relating to these assets.

(d) The carrying value of machinery and vehicles maintained in financial lease as of December 31, 2015 was around US$ 2,298,000. Leased assets have guarantees.

13. Intangible Assets, net

(a) Following is the composition and activity of the item:

	Balance as of 01.01.2015	Additions	Withdrawals	Balance as of 12.31.2015
	US$(000)	US$(000)	US$(000)	US$(000)
Cost -				
Cost of development	30,257			30,257
Mining Concessions	3,826	250	-	4,076
Right of Way	2,689	568	-	3,257
Land Usufruct	1,521	202	(31)	1,692
Right to connection	545	-	-	545
Licenses	36	81	-	117
	38,874	1,101	(31)	39,944
Cumulative Amortization				
Development Cost	8,141	3,846	-	11,987
Mining Concessions	1,268	445	-	1,713
Right of Way	701	446	-	1,147
Land Usufruct	668	192	(1)	859
Right to connection	9	55	-	64
Licenses	13	8		21
	10,800	4,992	(1)	15,791
Net cost	**28,074**			**24,153**

		Additions	Withdrawals	Balance as of 12.31.2014
		US$(000)	US$(000)	US$(000)
Cost -				
Development Cost	30.257	-	-	30,257
Mining Concessions	5.826	-	(2,000)	3,826
Right of Way	2.479	210	-	2,689
Land Usufruct	1.144	377	-	1,521
Right to connection	-	545	-	545
Licenses	36	-	-	36
	39.742	1,132	(2,000)	38,874
Cumulative Amortization	**-**			
Development Cost	3.792	4,349	-	8,141
Mining Concessions	765	503	-	1,268
Right of Way	310	391	-	701
Land Usufruct	533	135	-	668
Right to connection	-	9	-	9
Licenses	6	7	-	13
	5.406	5,394	-	10,800
Net cost	**34.336**			**28,074**

(b) Amortization expense is presented in the cost of sales item, see note 21.

14. Financial Obligations

(a) This item comprises the following:

Entity	Warranty	Interest Rate	As of 12.31.2015 US$(000)	As of 12.31.2014 US$(000)
Corporate Bonds, net of issuance costs (b)	Without guarantees	6.25%	450,304	449,100
BBVA Continental	Leased Property	2.68%	173	1,043
Banco de Credito del Peru	Leased Property	2.23%	62	318
Total			**450,539**	**450,461**

Classification by Maturity		
Current Portion	11,160	12,249
Non-Current Portion	439,379	438,212
Total	**450,539**	**450,461**

(b) The General Shareholders' Meeting of January 30, 2014, agreed that the Company carried out an international bond issue ("Senior Notes") through private placement under Rule 144 A and Regulations of the US Securities Act of 1933. It also agreed to list these bonds on the Luxembourg Stock Exchange. On January 31, 2014, the Company issued bonds with a nominal value of US$ 450,000,000 with maturity on February 7, 2024 by a 6.25% coupon rate, resulting in net proceeds under par of US$ 441,823,500. The Company has used part of the net funds of the bonds to pre-pay its debt to the Bank of Nova Scotia and the difference will be used in its mining operations.

The bonds restrict the capacity of Minsur and its subsidiaries to engage in certain transactions, however, these restrictions do not condition Minsur to fulfill financial ratios or maintain specific levels of liquidity.

15. Commercial and diverse Accounts Payable

(a) This item comprises the following:

	As of 12.31.2015 US$(000)	As of 12.31.2014 US$(000)
Commercial (b):		
Third Party	29,494	37,670
Related, note 27	14,930	11,397
	44,423	49,067
Diverse:		
Dividends Payable	684	703
Taxes and contributions payable	6,207	11,063
Other Accounts Payable	1,518	1,806
	8,409	13,572
Total	**52,832**	**62,639**

(b) Commercial accounts payable are mainly originated by the acquisition of materials, supplies, spare parts and services provided by third parties. These obligations are mainly expressed in US Dollars, have current maturities, do not accrue interests and do not have specific guarantees.

16. Provisions

(a) This item comprises the following:

	Provisions for closure Mine (b)	Provision for Contingencies (c)	Total
	US$(000)	US$(000)	US$(000)
As of January 1, 2015	52,513	1,911	54,424
Change of estimate	3,309	(496)	2,813
Additions			
Discount updating	1,237	-	1,237
Payments and pre-payments	(854)	(310)	(1,164)
As of December 31 2015	**56,205**	**1,105**	**57,310**
As of December 31 2014	53,972	1,215	55,187
Change of estimate	(1,556)	-	(1,556)
Additions	-	1,020	1,020
Discount updating	1,059	-	1,059
Payments and pre-payments	(962)	(324)	(1,286)
As of December 31 2014	**52,513**	**1,911**	**54,424**
Classification by Maturity:			
Current portion	5,794	1,105	6,899
Non-current portion	50,411	-	50,411
As of December 31 2015	**56,205**	**1,105**	**57,310**
Current portion	1,709	1,911	3,620
Non-current portion	50,804	-	50,804
As of December 31 2014	**52,513**	**1,911**	**54,424**

(b) Provision for mine closure -

The provision for closure of mines represents the current value of closure costs expected to be incurred between years 2015 and 2047, in compliance with government regulations. The estimated cost for mine closure is based on surveys prepared by independent consultants, which comply with the existing environmental regulations. The provision for closure of mines mainly corresponds to activities to be carried out to restore the mines and impacted areas by exploitation activities. The main works to perform are: earthworks, revegetation work, and plants removal. Closure activities and budgets are regularly reviewed to take into account any significant change in the surveys undertaken for timely updating. The cost of mine closure will depend on market prices of the works required, reflected in future economic conditions. Also, the timing of disbursements will depend on the life of the mine.

As of December 31, 2015, the future value of the provision for closure of mines is US$ 72,785,000, as discounted using annual risk-free rates for the provision of each mine according to its term of validity, which range between 1.57% and 4.23%, resulting in an updated liability of US$ 56,205,000 (US$ 52,513,000 as of December 31, 2014). The Company believes that this liability is sufficient to comply with the existing environmental protection laws approved by the Ministry of Energy and Mines.

(c) Provision for judicial proceedings and administrative disciplinary proceedings -

This provision is composed of judicial proceedings and administrative disciplinary proceedings for US$ 975,000 as of December 31, 2015 (US$ 1,303,000 as of December 31, 2014) and other minor contingencies for US$ 130,000 (US$ 608.000 as of December 31, 2014). See note 29(c).

17. Deferred tax and liabilities

(a) The following comprise the Current Tax Assets:

	As of 12.31.2015 US$(000)	As of 12.31.2014 US$(000)
Asset for Tax on Earnings		
Current Income Tax	(45,054)	(94,468)
Foreign Source Income Credit	(782)	103,317
Current Income Tax Prepayment	48,897	-
Temporary Tax on Net Assets	-	-
Total	**3,061**	**8,849**

(b) Following is the composition and activity of the item:

	As of 12.31.2015 US$(000)	As of 12.31.2014 US$(000)
Income Tax:		
Deferred asset		
Provision for mine closure	14,353	13,579
Financial asset at fair value through profit and loss	1,970	1,964
Mining Royalty and Mining Tax	757	1,259
Holidays payable	499	538
Differences in accounting and tax base for fixed asset	3,979	(1,716)
Embedded Derivative -	158	156
Miscellaneous Provisions	1,080	1,027
Other Tax Assets	6,075	-
	28,870	16,807

Deferred liability		
Assets by remediation	(7,118)	(8,334)
Development Cost and intangibles	(4,723)	(5,169)
Difference in change of non-monetary items	(13,019)	(3,652)
Differences in accounting and tax base for inventory	(700)	(888)
Financial investments available-for-sale	(1,257)	119
	(26,817)	(17,924)
Deferred income tax liability, net	2,053	(1,117)
Mining Royalty (MR) and Special Mining Tax (SMT):		
Deferred asset		
Exploration expenditures	1,072	623
Differences in accounting and tax base for fixed asset	906	(544)
	1,978	79
Deferred liability		
Difference in change of non-monetary items	(2,964)	(1,082)
Differences in accounting and tax base for inventory	(266)	(151)
	(3,230)	(1,233)
Deferred liability for MM and SMT, net	(1,252)	(1,154)
Total deferred tax liability, net	**801**	**(2,271)**

(c) Following is the Reconciliation of Income Tax Expense with profits before income tax multiplied by the statutory rate:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Profit before income tax	**(481,915)**	**203,672**
Theoretical income tax (28%)	(134,936)	61,102
Effect of mining royalties	(3,193)	(8,990)
Participation in results of subsidiaries and affiliates	166,734	25,305
Effect of conversion	18,615	5,938
Effect of permanent differences, net	1,950	3,376
Effect of change of income tax rate	(209)	2,387
Previous years' adjustment:	(6,075)	-
Income Tax Expense	42,887	89,118
Mining Royalties and Special Mining Tax	11,501	29,656
Total	**54,388**	**118,774**

(d) The Income tax expense shown in the separate profit and loss statement is composed as follows:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Income Tax		
Current	46,284	94,468
Differed	(3,397)	(5,350)
	42,887	89,118
Mining Royalties and Special Mining Tax		
Current	11,404	29,965
Differed	97	(309)
	11,501	29,656
	54,388	**118,774**

18. Net Equity

(a) Capital Stock -

As of December 31, 2015, and December 31, 2014, the authorized subscribed and paid in capital, in accordance with Company's Bylaws, as amended, is represented by 19,220,015 common shares with a par value of S/.100.00 each.

(b) Investment Shares-

As of December 31, 2015 and December 31, 2014, this item includes 960,999,163 investment shares, with a par value of S/.1.00 each.

Pursuant to the applicable legislation, investment shares vest in their holders the right to participate in dividend distribution, make contributions to maintain their existing proportion in the investment share account in case of capital increase by new contributions, increase the investment share account by capitalization of other equity accounts, redeem their shares in any cases provided by the Law, and participate in equity sharing of the net balance in the case of Company's liquidation. Investment shares do not grant access to the Board of Directors or to the General Shareholders' Meetings. The Company's investment shares are listed in the Lima Stock Exchange (BVL).

As of December 31, 2015, the average stock market value of these shares is S/. 0.52 per share and S/. 1.80 per share as of December 31, 2014.

(c) Legal Reserve -

The Companies Law provides that at least 10 percent of the distributable profit of each financial year, after income tax, be transferred to a legal reserve until the legal reserve amounts to 20% of the capital stock. The legal reserve may compensate losses or be capitalized; in both cases there is the obligation to replenish it.

As of December 31, 2015, the Company has not increased its legal reserve since the legal reserve has reached the limit mentioned above.

(d) Declared and paid dividends -

Below is information on declared and paid dividends as of December 31, 2015:

	Date	Declared and paid dividends	Dividends per common share	Dividends per investment share
		US$(000)	US$(000)	US$(000)
As of December 31, 2015				
Mandatory Annual Shareholders' Meeting	March 26 2015	50,000	1.73	0.017
As of December 31, 2014				
Mandatory Annual Shareholders' Meeting	March 19 2014	50,000	1.73	0.017

(e) Result per share

The result per basic share is calculated by dividing the result of the period by the weighted average of the number of outstanding shares during the year.

The result per basic and diluted share is the same, since there are no reducing effects on profits.

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Profit attributable to common and investing shareholders	(24,109)	102,413
Denominator		
Common Shares	19,220,015	19,220,015
Investment Shares	960,999,163	960,999,163
Result per share		
Profit attributable to common shareholders	(0,836)	3,552
Profit attributable to investing shareholders	(0,008)	0,036

19. Tax Situation

(a) The Company is subject to the Peruvian tax regime. As of December 31, 2015 the income tax rate is 28 percent. Likewise, as of December 31, 2015 non-domiciled persons in Peru and natural persons are subject to pay an additional 6.8 percent tax on dividends received.

As of January 01, 2015, Law 30296 entered into force introducing certain amendments to the Income Tax Law. The most relevant changes were the changes to the income tax rates and to additional tax withholdings for dividends received applicable to non-domiciled legal persons and to natural persons in Peru. The following are the modified tax rates:

	Income Tax	Withholding for dividends received
Years 2015 and 2016	28%	6.8%
Years 2017 and 2018	27%	8%
Year 2019 onwards:	26%	9.3%

The Law has also provided for the application of a 4.1% rate to the cumulative results or other concepts likely to generate taxable dividends, obtained until December 31, 2014, and which form part of dividend distribution or any other form of profit sharing.

(b) Tax authorities are entitled to check and, if applicable, revise the Income Tax calculated by the company in the four years following filing of the income tax return of said taxes. Income tax returns for years 2011 to 2014 and Sales Tax for years 2012 to 2014, are still to be checked by the tax authorities. To date, the Tax Administration carried out a review of the income tax returns for financial years 2000 to 2010 and Sales Tax returns for years 2000 to December 2008, see note 29 (a).

Since the interpretations that the tax authorities may give of the current legal regulations are hard to predict, as of this date, it is not possible to determine whether the reviews to be made will result in liabilities to the Company, therefore, any higher tax or surcharge that might result from any eventual tax review would be applied to profit or loss of the year in which it is determined. However, in the opinion of the Company's Management and its legal advisors, any eventual additional settlement of taxes would not be significant for the separate financial statements as of December 31, 2015.

(c) For the purpose to determine the Income Tax and Sales Tax, transfer pricing of transactions with related companies and with companies resident in territories of low or zero taxation, must be supported with documentation and data on the valuation methods used and the criteria considered for its determination. Based on the analysis of the Company's operations, Management, and its legal advisors believe that, as a consequence of the application of this rule, no significant contingencies will emerge for the Company as of December 31, 2015.

20. Net Sales

This item comprises the following:

	As of 12.31.2015	**As of 12.31.2014**
	US$(000)	US$(000)
Tin	346,995	621,050
Gold	140,040	138,777
	487,035	759,827
Embedded Derivative for tin sales	295	333
	487,330	**760,160**

The following table presents the net sales of tin and gold by geographical region:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Tin:		
America	152,624	243,423
Europe	169,246	308,267
Asia	21,335	62,686
Peru	3,790	6,674
Gold:		
United States	140,040	138,777
	487,035	759,827
Embedded Derivative for tin sales	295	333
	487,330	**760,160**

21. Cost of Sales

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Initial Inventory of finished products, note 8	20,444	46,834
Initial inventory of Products in process, note 8	29,057	50,104
	49,501	96,938
Services provided by third persons	82,461	107,698
Depreciation, note 12(b)	52.372	56,060
Consumption of raw material and inputs/supplies	60,902	60,214
Other staff costs	18,315	31,677
Wages and Salaries	16,023	20,202
Electric Power	12,661	10,564
Fringe Benefits	8.962	9,847
Other manufacture costs	5,695	5,315
Amortization, note 13(b)	11,385	5,360
Production Cost	268,776	306,937
Final Inventory of finished products, note 8	(16,318)	(20,444)
Final Inventory of products in-process, note 8	(23,279)	(29,057)
	(39,598)	(49,501)
Cost of Sales	**278,679**	**354,374**

22. Administrative expenses

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Other staff costs	9,466	11,221
Salaries	8,305	9,580
Services provided by Third Parties	3,413	4,678
Fringe Benefits	3,506	4,111
Advisory & Consultancy	2,516	3,363
Diverse management and provisioning charges	1,401	1,735
Depreciation, note 12(b)	317	309
Total	**28,924**	**34,997**

23. Sales Expenses

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Services provided by Third Parties	2,605	4,790
Sales commissions	1,719	2,334
Estimate of doubtful accounts, note 7 (c)	-	1,413
Diverse management charges	705	1,055
Other staff costs	239	320
Salaries	273	254
Storage Costs	604	173
Fringe Benefits	147	108
Depreciation, note 12(b)	7	7
Total	**6,299**	**10,454**

24. Other Operating Incomes

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Income from sale of supplies	4,278	6,062
Sale of mineral rights to Marcobre S.A.C.		2,525
Income for consulting service	1,647	930
Recovery provisions royalties, IEM, Other	663	643
Property Rental	134	188
Income for sale of Property, plant and equipment	51	241
Others	397	629
Total	**7,170**	**11,218**

25. Other Operating

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Exploration and survey expenditures		
Services provided by Third Parties	20,857	21,156
Other staff costs	780	2,725
Salaries	1,240	1,703
Diverse management charges	1,265	986
Mining Concession Fee	757	938
Fringe Benefits	1,065	883
Depreciation, note 12(b)	204	136
Amortization	105	34
	26,273	**28,561**
Other Operating Expenses		
Net cost of supplies sold	3,655	5,527
Deductible Donations	1,456	3,333
Contributions to public environmental regulation entities	1,619	2,859
Net cost of disposal of mineral rights	-	2,000
Taxes incurred	135	-
Mining Retirement Fund	826	1,574
Net cost of removing Property, plant and equipment	1,517	1,600
Provision for contingency, note 16 (c)	-	1,020
Administrative sanctions and prosecutors	18	303
Depreciation, note 12(b)	101	283
Adjustment of physical inventory of supplies	88	363
Others	2,341	2,584
	11,756	**21,446**
Total others, net	**38,029**	**50,007**

26. Financial Income and Costs

This item comprises the following:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Financial Income		
Interest on loans to related party	1,345	3,469
Interest on term deposits	1,485	1,297
Interest on certificates of deposit	1,452	231
Others	293	266
Interests Income	**4,575**	**5,263**
Financial costs:		
Interests on corporate bond	28,763	27,461
Costs and interest on bank loans	-	1,143
Amortization of corporate bond issuance costs	565	1,077
Others	39	78
Interest Expenses	**29,367**	**29,759**
Update of provision for mine closure	1,237	1,059
	30,604	**30,818**

27. Transactions with related companies

(a) Accounts receivable and payable -
As of December 31, 2015 and December 31, 2014, balances of accounts receivable and payable with related companies are as follows:

	As of 12.31.2015	As of 12.31.2014
	US$(000)	US$(000)
Receivable		
Mineração Taboca S.A.	-	81,938
Administración de Empresas S.A.	146	294
Compañía Minera Raura S.A.	289	171
Marcobre S.A.C.	126	51
Cumbres Andinas S.A.	14	18
Minera Latinoamericana S.A.C.	14	14
Cía. Minera Barbastro S.A.C.	14	14
Minera Sillustani S.A.	14	14
Total	**617**	**82,514**

Classification by Maturity		
Current	348	576
Non-Current	-	81.938
Total	**348**	**82.514**

Payable:		
Administracion de Empresas S.A.	12,142	7,129
Exsa S.A.	1,753	2,279
Clínica Internacional S.A.	244	470
Central Servicios Administrativos S.A.	228	66
Rimac S.A. Entidad Prestadora de Salud	210	1
Rimac Seguros y Reaseguros	127	276
Corporación Peruana de Productos Quimicos	76	15
Urbanizadora Jardin S.A.	48	184
Compañía Minera Raura S.A.	46	10
Inversiones Nacionales de Turismo S.A.	28	19
Estrategica S.A.C.	17	80
Compañía Minera Barbastro S.A.C.	6	-
Proteccion Personal S.A.C.	5	90
Mineração Taboca S.A.	-	765
Marcobre S.A.	-	7
Agricola Hoja Redonda S.A.	-	4
Futura Consorcio Inmobiliario S.A.	-	1
Servicios Turisticos Inmobiliario S.A.	-	1
	14,930	**11.397**

Balance payable to related companies have a current maturity, does not accrue interests and lacks specific securities

28. Commitment

(a) Environmental Impact Assessments (EIA)
According to Supreme Decree 016-93-EM, in force since 1993, all mining companies must file an EIA to the Ministry of Energy and Mines (MEM). Environmental Impact Assessments are prepared by environmental consultants registered with the MEM. These assessments consider all environmental controls that mining entities will implement during the life of the mines. All the Company's mines have an approved Environmental Impact Assessment for their activities.

(b) Mine Closure Law in Peru -
On October 14, 2004, Law No. 28090 entered into force, intended to regulate the obligations and procedures to be followed by owners of the mining activity for the preparation, filing and implementation of the Mine Closure Plan and the establishment of the appropriate environmental guarantees. The Regulations for Mine Closure were approved on August 15, 2005 by Supreme Decree No. 033-2005-EM.

In compliance with this obligation, in 2006, the Company introduced the Mine Closure Plan for San Rafael and Pisco mines, which were approved in 2009 by the Ministry of Energy and Mines. The Environmental Regulations in force in Peru provide that 3 years after the plan is approved an update must be filed; therefore, on December 17, 2012 the Company filed to the Ministry of Energy and Mines and updated Mine Closure Plan for San Rafael, as approved by means of Directorial Resolution No. 098-2013-MEM/AAM on April 8, 2013. Also, on June 22, 2012, the Company presented an update of the Pisco Mine Closure Plan, which was approved by means of Directorial Resolution No. 215-2013-MEM/AAM of June 21, 2013. As to Pucamarca mine, on August 19, 2010, the Company filed its Closure Plan, which was approved by means of Directorial Resolution No. 207-2011-MEM/AAM of June 30, 2011 and which updating is underway.

As of December 31, 2015, the provision for Mine Closure of San Rafael, Pucamarca and Pisco mines amounts to US$ 56,205,000 (US$ 52,513,000 as of December 31, 2014). See activity of this provision in note 16 (a).

29. Tax and Administrative disciplinary proceedings

(a) Based on the results of audits for years 2000 to 2010, the Company has been served notices for omissions to income tax and Sales Tax amounting to S/. 129,182,000 (equivalent to US$ 37,850,000). In all cases, the Company filed remedies of complaint for it could not find the relevant resolutions in the current legal rules of Peru. To date, these appeals are pending resolution.

On the other hand, as to the appeals mentioned hereinabove, the Company has, under protest, been making payments of the amounts assessed, while exercising its right of complaint with SUNAT or appeal before the Tax Court, as appropriate. As of 31 December 2015, the balance paid under protest amounts to US$ 25,922,000. The Company has recognized an account receivable, considering that there are chances of recovery.

(b) In the appeal filed by the Company to the Tax Authorities for tax year 2002, the Company includes complaint for having made excess Income Tax payments that same year in S/. 104,780,000 (equivalent to US$ 30,700,000). This amount corresponds to an erroneous determination of a capital gain declared in excess for tax purposes related to the sale of 9,847,142 shares of Union de Cervecerias Peruanas Backus y Johnston S.A.A. made in July 2002. The Company will recognize the asset related to this claim on the actual date of return of the unduly paid tax by the Tax Administration. Management and its legal advisors believe that this appeal will be resolved favorably for the Company.

(c) Administrative disciplinary processes -
In 2015, and prior years, the Company was served several notices from the Agency for Assessment and Environmental Control (OEFA) and OSINERGMIN, respectively. These notices related to violations of non-compliance with the procedures of environmental protection and preservation rules and mining safety and hygiene regulations. The administrative fines derived from these processes imposed by OSINERGMIN and OEFA amount to a total of 807 Tax Units - UIT (equivalent to US$ 910,328). In regard to these notices, the Company has filed appeals and resorted to the courts; these processes are still pending resolution.

As of December 31, 2015, in analyzing these processes, Management and its legal advisors estimate a probable contingency of US$1,105,000, which is presented under the "provisions" heading in the separate statement of financial position (note 16 (c)).

30. Segmented Data

Management has determined the operating segments of the Company on the basis of the reports used for decision-making. Management considers the business units on the basis of their products, activities, and geographic location:

- Production and sale of tin produced in Peru.
- Production and sale of gold produced in Peru (Segment which started production in January 2013).

No other operating segment has been added to be part of the operating segments described above.

Management monitors profits before taxes separately per each business unit to make the decisions on the allocation of resources and the assessment of financial yield. The financial yield of a segment is assessed on the basis of profits before income tax and is measured consistently with profits before income tax in the separate profit and loss statement.

2015	**Tin**	**Gold**	**Others (a) no distributable**	**Total**
	(Peru)	**(Peru)**		
	US$(000)	US$(000)	US$(000)	US$(000)
Results:				
Sales	346,995	140,040	-	487,035
Embedded Derivative -	295	-	-	295
Cost of Sales	(207,779)	(70,881)	-	(278,660)
Other Operating Income	(19)	-	-	(19)
Gross Margin	139,492	69,159	-	208,651
Administrative Expenses	(21,524)	(7,400)	-	(28,924)
Sales Expenses	(6,293)	(6)	-	(6,299)
Exploration and Survey Expenditures	(19,740)	(6,533)	-	(26,273)
Other expenses, net	(3,268)	(1,318)	-	(4,586)
Operating Profit	88,667	53,902	-	142,569
Profit before income tax	-	-	(481,915)	(481,915)
Income Tax	-	-	(54,388)	(54,388)
Net Profit	-	-	(536,303)	(536,303)
Other disclosures:				
Additions to fixed and intangible asset	25,346	6,869	-	32,215
Depreciation and amortization (included in costs and expenses)	(29,187)	(37,541)	-	(66,728)
Depreciation and amortization (Included in the change in inventories)	258	1,830	-	2,088
Operating Flows	-	-	110,679	110,679
Investment Flows	-	-	(65,959)	(65,959)

2014	Tin no (Peru)	Gold (Peru) distributable	Others (a)	Total
	US$(000)	US$(000)	US$(000)	US$(000)
Results:				
Sales	621,051	138,777	-	759,828
Embedded Derivative -	332		-	332
Cost of Sales	(274,303)	(80,071)	-	(354,374)
Gross Margin	347,080	58,706	-	405,786
Administrative Expenses	(27,117)	(7,916)	-	(35,033)
Sales Expenses	(10,412)	(6)	-	(10,418)
Exploration and Survey Expenditures	(22,108)	(6,453)	-	(28,561)
Other expenses, net	(7,917)	(2,311)	-	(10,228)
Operating Profit	279,526	42,020	-	321,546
Profit before income tax	-	-	203,672	203,672
Income Tax	-	-	(118,774)	(118,774)
Net Profit	-	-	84,898	84,898
Other disclosures:				
Additions to fixed and intangible asset	18,597	18,223		36,820
Depreciation and amortization (included in costs and expenses)	(35,745)	(33,747)	-	(69,492)
Depreciation and amortization (Included in the change in inventories)	7,784	(481)	-	7,303
Operating Flows	-	-	289,925	289,925
Investment Flows	-	-	(287,529)	(287,529)

31. Embedded Derivative for tin sales

Sale of tin produced in Peru is based in trading contracts, according to which a provisional value is allocated, which is then settled on the basis of future quotations (forward).

Embedded Derivatives held as of December 31, 2015 and December 31, 2014:

Metal	Quantity	Quotation Period	Valuations Provisional	Valuations Future	Fair Value
			US$(000)	US$(000)	US$(000)
As of December 31, 2015					
Ore Sale					
Tin	2,138 MT	October 2016	32,509	32,246	(263)
Total net liability					(263)
As of December 2014					
Ore Sale					
Tin	804 MT	January 2015	16,168	15,610	(558)
Total net liability					(558)