Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

Minsur S.A. and Subsidiaries

Consolidated financial statements as of December 31, 2018, 2017 and January 1, 2017, together with the Independent Auditors' Report

Building a better working world

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

Minsur S.A. and Subsidiaries

Consolidated financial statements as of December 31, 2018, 2017 and January 1, 2017, together with the Report of the Independent Auditors'

Content

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

Independent Auditors' Report

To the Shareholders of Minsur S.A. and Subsidiaries

We have audited the accompanying consolidated financial statements of Minsur S.A. (a Peruvian entity, subsidiary of Breca S.A.C.) and Subsidiaries (together the "Group"), which comprise the consolidated statements of financial position as of December 31, 2018, 2017 and January 1, 2017 and the related consolidated statements of profit or loss, other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2018 and 2017, and a summary of significant accounting policies and other explanatory information (see attached notes 1 to 39).

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Auditing Standards approved in Peru by the Board of Deans of the Peruvian Charter of Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Minsur S.A. and Subsidiaries as of December 31, 2018, 2017 and January 1, 2017, and its financial performance and its cash flows for the years ended December 31, 2018 and 2017, in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB).

Lima, Peru,
March 15, 2019

Paredes, Burga & Asociados

Countersigned by:

Raul Del Pozo
C.P.C.C. Register No.22311

Minsur S.A. and Subsidiaries

Consolidated statements of financial position

As of December 31, 2018, 2017 and January 1, 2017

	Note	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Assets				
Current assets				
Cash and cash equivalents	6	251,917	240,481	272,357
Other financial assets	6	309,678	160,444	111,159
Trade and other receivables, net	7	110,654	103,909	98,635
Derivative financial instruments	36	3,051	315	394
Inventory, net	8	116,176	110,078	100,215
Financial assets at fair value throught OCI	9	120,678	40,052	42,962
Available-for-sale assets		2,710	3,168	3,270
Income tax prepayments	20	20,729	345	338
Prepaid expenses and taxes	11	7,213	1,966	2,140
Total current assets		942,806	660,758	631,470
Non-current assets				
Trade and other receivables, net	7	96,830	62,702	53,664
Financial assets at fair value throught OCI	9	4,900	-	-
Financial assets at fair value through profit or loss	10	-	131,713	128,810
Investments in associates	12	292,446	304,117	345,523
Property, plant and equipment, net	13	800,500	509,062	525,976
Intangible assets, net	14	480,442	472,346	393,100
Right-of-use asset, net	15	31,647	24,975	24,816
Deferred income tax assets, net	20	127,155	135,493	86,010
Income tax prepayments		-	4	181
Prepaid expenses and taxes	11	31,069	-	1
Total non-current assets		1,864,989	1,640,412	1,558,081
Total assets		2,807,795	2,301,170	2,189,551

	Note	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Liability and equity				
Current liabilities				
Current interest-bearing loans and borrowings	18	41,579	80,399	121,688
Trade and other payables	17	259,819	151,385	141,798
Derivative financial instruments	36	6,772	476	5,487
Income tax payable	20	-	4,354	9,319
Current provisions	19	26,476	23,690	33,959
Total current liabilities		334,646	260,304	312,251
Non-current liabilities				
Non-current interest-bearing loans and borrowings	18	639,425	535,354	455,069
Trade and other payables	17	36,504	31,641	39,450
Derivative financial instruments	36	9,190	-	-
Non-current provisions	19	144,262	160,948	146,470
Deferred income tax liabilities, net	20	105,445	102,189	38,272
Total non-current liabilities		934,826	830,132	679,261
Total liabilities		1,269,472	1,090,436	991,512
Equity	21			
Capital stock		601,269	601,269	601,269
Investment shares		300,634	300,634	300,634
Legal reserve		120,261	120,261	120,261
Reinvested earnings		39,985	39,985	39,985
Other reserves		45,676	13,687	36,481
Facultative reserves		424	424	424
Cumulative translation reserve		(198,322)	(166,977)	(174,543)
Unrealized results		(18,887)	937	(9,057)
Retained earnings		412,821	300,344	282,395
Equity attributable to equity holders of the parent		1,303,861	1,210,564	1,197,849
Non-controlling interests		234,462	170	190
Total equity		1,538,323	1,210,734	1,198,039
Total liabilities and equity		2,807,795	2,301,170	2,189,551

The accompanying notes are an integral part of this consolidated financial statement.

Translation of a report and financial statements originally issued in Spanish - See Note 39 to the financial statements

Minsur S.A. and Subsidiaries

Consolidated statements of profit or loss

For the years ended December 31, 2018 and 2017

	Note	2018 US$(000)	2017 US$(000) Restated
Net sales	23	693,773	672,124
Cost of sales	24	(414,639)	(415,701)
Gross profit		279,134	256,423
Operating expenses:			
Administrative expenses	25	(51,160)	(45,372)
Selling expenses	26	(4,632)	(3,943)
Exploration and evaluation expenses	27	(37,508)	(37,803)
Impairment loss	16	-	(27,160)
Other expenses, net	28	(19,342)	16,226
Total operating expenses		(112,642)	(98,052)
Operating income		166,492	158,371
Other income (expenses):			
Finance income	29	70,393	13,824
Finance costs	29	(53,336)	(43,879)
Profit from investment in associates, net	12(b)	11,935	13,812
Profit from financial assets at fair value through profit or loss	10	489	2,903
Dividends income	9(d) y (e)	415	315
Exchange difference, net	5	(23,701)	(3,542)
Total other expenses, net		6,195	(16,567)
Profit before income tax		172,687	141,804
Income tax	20(b)	(64,508)	(62,661)
Net profit		108,179	79,143
Attributable to:			
Equity holders of the parent		112,126	79,143
Non-controlling interests		(3,947)	-
Net profit		108,179	79,143
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:			
Common shares	30	3.889	2.790
Investment shares	30	0.039	0.030

The accompanying notes are an integral part of this consolidated financial statement.

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

Minsur S.A. and Subsidiaries

Consolidated statements of other comprehensive income

For the years ended December 31, 2018 and 2017

	Note	2018 US$(000)	2017 US$(000) Restated
Net profit		108,179	79,143
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation	21(g)	(31,345)	7,566
Unrealized results of investments and hedge derivative financial instruments		(27,648)	12,924
Income tax	20(a)	5,104	(2,930)
Other comprehensive income for the year		(53,889)	17,560
Total comprehensive income for the year, net of its income tax		54,290	96,703
Total comprehensive income attributable to:			
Equity holders of the parent		60,957	96,703
Non-controlling interests		(6,667)	-
		54,290	96,703

The accompanying notes are an integral part of this financial statement.

Minsur S.A. and Subsidiaries

Consolidated statements of changes in equity

For the years ended December 31, 2018 and 2017

	Note	Capital stock US$(000)	Investment shares US$(000)	Legal reserve US$(000)	Reinvested earnings US$(000)	Other reserves US$(000)	Facultative reserves US$(000)	Cumulative translation reserve, note 2.4(c) US$(000)	Unrealized results US$(000)	Retained earnings US$(000)	Total attributable to equity holders of the parent US$(000)	Non - controlling interests equity US$(000)	Total US$(000)
Balance as of January 1, 2017 (Audited)		601,269	300,634	120,261	39,985	36,481	424	(174,543)	(380)	271,616	1,195,747	191	1,195,938
Effect of change of accounting policy of capitalization of development costs and adoption of new accounting standards (note 2.3)		-	-	-	-	-	-	-	(8,677)	10,779	2,102	(1)	2,101
Balance as of January 1, 2017 (Restated)		601,269	300,634	120,261	39,985	36,481	424	(174,543)	(9,057)	282,395	1,197,849	190	1,198,039
Net profit		-	-	-	-	-	-	-	-	79,143	79,143	-	79,143
Other comprehensive income for the year		-	-	-	-	-	-	7,566	9,994	-	17,560	-	17,560
Total other comprehensive income for the year		-	-	-	-	-	-	7,566	9,994	79,143	96,703	-	96,703
Dividends distribution	21(e)	-	-	-	-	-	-	-	-	(61,138)	(61,138)	-	(61,138)
Decrease of tax credit from Mineração Taboca	21(f)	-	-	-	-	(23,345)	-	-	-	-	(23,345)	-	(23,345)
Capitalization of unpaid dividends	21(f)	-	-	-	-	551	-	-	-	-	551	-	551
Corporate reorganization	1(c)	-	-	-	-	-	-	-	-	102	102	-	102
Other results		-	-	-	-	-	-	-	-	(158)	(158)	(20)	(178)
Balance as of December 31, 2017 (Restated)		601,269	300,634	120,261	39,985	13,687	424	(166,977)	937	300,344	1,210,564	170	1,210,734
Net profit		-	-	-	-	-	-	-	-	112,126	112,126	(3,947)	108,179
Other comprehensive income for the year		-	-	-	-	-	-	(31,345)	(19,824)	-	(51,169)	(2,720)	(53,889)
Total other comprehensive income for the year		-	-	-	-	-	-	(31,345)	(19,824)	112,126	60,957	(6,667)	54,290
Transactions between shareholders	21(f)	-	-	-	-	31,989	-	-	-	-	31,989	190,304	222,293
Contributions from non-controlling interest	21(i)	-	-	-	-	-	-	-	-	-	-	50,640	50,640
Other minors		-	-	-	-	-	-	-	-	351	351	15	366
Balance as of December 31, 2018		601,269	300,634	120,261	39,985	45,676	424	(198,322)	(18,887)	412,821	1,303,861	234,462	1,538,323

The accompanying notes are an integral part of this consolidated financial statement.

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 39 to the consolidated financial statements

Minsur S.A. and Subsidiaries

Consolidated statements of cash flows

For the years ended December 31, 2018 and 2017

	Note	2018 US$(000)	2017 US$(000) Restated
Operating activities			
Collections from customers		695,666	673,435
Payments to suppliers		(302,224)	(229,352)
Payroll and social benefit payments		(134,198)	(129,703)
Payments of income and other taxes		(96,298)	(103,052)
Interests paid		(28,132)	(37,862)
Payments for derivative financial instruments		-	(17,176)
Interest received		10,931	8,456
Restricted funds		-	897
Recovery of taxes and interest paid under protest		92,580	-
Other receipts (payments) related to the activity, net		5,254	(14,884)
Net cash and cash equivalents provided by in operating activities		243,579	150,759
Investing activities			
Opening of time deposits with original maturities greater than 90 days	6(a)	(309,678)	(160,444)
Closing of deposits with a term greater than 90 days	6(a)	160,444	111,159
Payments for purchase of property, plant and equipment	13(a)	(333,200)	(132,964)
Payments for purchase of intangible assets	14(a)	(26,139)	(31,219)
Opening of financial assets at fair value through OCI	9(c)	(98,778)	-
Obtaining (liquidation) of certificate state deposits	9(c)	2,935	(2,935)
Disposal of investment in associate	28	-	61,139
Collection from sales of non-controlling interest	1(c.3)	182,397	-
Dividends collected	9(d) y 12(c)	415	2,566
Collection from liquidation of financial assets at fair value through profit or loss	10	213,802	-
Opening of mutual funds with public quotation	10	(81,600)	-
Collection from sale of furniture and equipment	28	624	779
Net cash and cash equivalents used in investing activities		(288,778)	(151,919)
Financing activities			
Obtaining loans	35.1(ii)	151,086	214,056
Payments of loans	35.1(ii)	(97,207)	(166,671)
Payment of lease	18(h) y 35.1(ii)	(16,641)	(15,943)
Contributions from non-controlling interest	21(i)	50,640	-
Financing structuring costs	18(f)	(30,240)	-
Dividends paid	19(e)	-	(61,138)
Net cash flows provided by financing activities		57,638	(29,696)
Increase (decrease) in cash and cash equivalents		12,439	(30,856)
Net exchange difference		(1,003)	(1,020)
Cash and cash equivalents at beginning of year		240,481	272,357
Cash and cash equivalents at year end	6(a)	251,917	240,481
Transactions with no effects in cash flows:			
Increase in provision for closure mine	13(a)	14,557	16,695
Accounts payable for acquisition of non-controlling interest	17(a)	2,067	673
Increase due to financing operations for suppliers	18(a)	5,108	3,772
Recognition of future payment commitments	17(a)	-	(7,000)
Capitalized depreciation as development costs	13(b)	1,638	285
Increase of right-of-use assets	15(a)	6,672	159

The accompanying notes are an integral part of this consolidated financial statement.

1. **Corporate information**

(a) Identification -

Minsur S.A. (hereinafter "the Company") was incorporated in Peru in October 1977. The activities of the Company are regulated by the Peruvian General Mining Law. The Company is a subsidiary of Breca Minería S.A.C. domiciled in Peru, which holds 99.99 percent of the Company's common shares and 6.31 percent of its investment shares. The Company's registered address is Jirón Giovanni Batista Lorenzo Bernini 149, Office 501A, San Borja, Lima, Peru.

(b) Business activity -

The main activity of the Company is the production and selling of metallic tin that it is obtained from the mineral exploited in the San Rafael Mine, located in the region of Puno, and the production and selling of gold that is obtained of Pucamarca mine, located in the region of Tacna.

Through its subsidiary Minera Latinoamericana S.A.C., the Company has investments in Mineração Taboca S.A. and subsidiary (which operate the tin mine and a smelting plant located in Brazil), in Inversiones Cordillera del Sur Ltda. and subsidiaries (holding of shares of a group mainly dedicated to the production and selling of cement in Chile) and in Minera Andes del Sur S.P.A. (a Chilean company engaged in mining exploration activities). As explained in note 3.1(e), the investment in Inversiones Cordillera del Sur Ltda. is accounted for as an investment in an associate.

In addition, through its subsidiary Cumbres Andinas S.A.C., the Company hold shares in Marcobre S.A.C., a mining company that is in the exploration and construction stage. The General Shareholders' Meeting of the Company on April 23, 2018 approved the sale of 40 percent of its shares in Cumbres Andinas S.A.C. to Alxar International SPA, this transaction ended on May 31, 2018

Likewise, through its subsidiary Cumbres del Sur S.A.C., the Company holds investments in Minera Sillustani S.A.C. and Compañía Minera Barbastro S.A.C., mining companies that are in the stage of exploration and evaluation of mineral resources.

As of December 31, 2018, the Group is developing the following projects:

(b.1) Mina Justa project

Through its subsidiary Marcobre S.A.C. is developing the Mina Justa copper mining project, located in the province of Nazca, Ica region, which estimated investment amount to US$1,600 million and have an estimated average annual production of 181,000 tons of copper concentrate and 51,500 tons of copper cathodes, which is expected to be achieved after 2020 or at the beginning of the year 2021. As of December 31, 2018, the

Group performed cash disbursements for about US$263,437,000, through the subsidiary Marcobre, which were mainly destined to the construction phase. See note 13(c).

The construction of the project has been financed with the contributions of the shareholders, see note 19(b), and through a syndicated loan from a group of financial institutions up to an amount of US$900,000,000, see note 18(e). The administration and supervision of the project has been commissioned to Ausenco S.A., an entity that is in charge of Engineering, Procurement, Construction Management (EPCM) according to the contract signed on November 7, 2017, which will be in force until the completion of the Mina Justa project. Management expects to be able to start production at the beginning of year 2021, subject to obtaining the necessary authorizations and environmental approvals.

(b.2) Tin tailings project B2

Minsur S.A. has been developing the project B2 located in San Rafael Mine whose estimated investment amounts to US$200 million. The project consists in extracting tin from an old tailing through a production process to be carried out in the future plant of reuse of tailings. The start of production is estimated at the end of 2019. As of December 31, 2018, investments were made for the amount of US$77,675,000, which were mainly destinated to the construction phase, see note 13(c).

(c) Corporate reorganization -

(c.1) Merger of Marcobre S.A.C. with its parent CA Resources S.A.C. and subsidiaries

The Shareholders, through General Shareholders' meeting of Marcobre S.A.C. dated July 10, 2017, approved the merger by absorption between Marcobre S.A.C. (absorbing company) and CA Resources S.A.C. and subsidiaries, holding companies whose assets corresponded to shares of other companies of the Group with an effective date of July 31, 2017.

The merger of entities under common control is not within the scope of IFRS 3 "Business combination". Because the aforementioned corporate reorganization has not meant a change in the Company's control, i.e. the entities that have participated in the corporate reorganization belong to the same economic group.

As a result of this transaction, the Company eliminated the assets of CA Resources S.A.C. and subsidiaries with the held investments.

(c.2) Partial spin-off of Cumbres Andinas S.A.C. -

The shareholders, on General Shareholders' Meeting dated December 21, 2017, approved the spin-off of the equity block from Cumbres Andinas S.A.C. (hereinafter the "equity block") related to assets and liabilities of the subsidiaries Minera Sillustani S.A.C and Compañía Minera Barbastro S.A.C. This spin-off had an effective date on December 30, 2017, and the book value of the equity block transferred was S/49,374,000 (equivalent to US$15,216,000). Likewise, the new entity issued shares that were committed to the shareholders of Cumbres Andinas in the same proportion that they have in this one, at the effective date of the spin-off. This spin-off had no impact on the consolidated financial statements.

(c.3) Sale of minority interest in Cumbres Andinas S.A.C.
At the General Shareholders' Meeting of the Company dated April 23, 2018, the sale of 40 percent of the shares of Cumbres Andinas S.A.C. to Inversiones Alxar S.A. was approved for a sale price of approximately US$182,397,000, whose closing was completed on May 31, 2018. As a result of this operation and in accordance with the provisions of IFRS 10 "Consolidated financial statements", the Group have recognized the net profit offset of income tax and workers' profit sharing attributable to the transaction for US$39,389,000 in the caption "other reserves" of the consolidated statements of changes in equity. In addition, the Group has recognized in the consolidated statement of changes in equity a loss of US$7,400,000 in the caption "Other reserves" related to the obligations assumed in the share transfer agreement denominated "Purchase Agreement" between Minsur and Alxar International SpA as shareholders owners of 100 percent of the shares of Cumbres Andinas S.A.C.

(d) Consolidated financial statements –
The consolidated financial statements include the financial statements of the Company and its subsidiaries (together, the Group):

	Equity interest			
	December 31, 2018		December 31, 2017 Restated	
	Direct %	Indirect %	Direct %	Indirect %
Subsidiaries in Chile:				
Minera Andes del Sur SPA	-	100.00	-	100.00
Subsidiaries in Brazil:				
Mineração Taboca S.A.	-	100.00	-	100.00
Mamoré Mineração e Metalurgia Ltda.	-	100.00	-	100.00
Subsidiaries in Perú:				
Minera Latinoamericana S.A.C.	99.99	-	99.99	-
Cumbres Andinas S.A.C.	60.00	-	99.98	-
Cumbres de Sur S.A.C.	99.98	-	99.98	-
Compañía Minera Barbastro S.A.C.	-	99.99	-	99.99
Minera Sillustani S.A.C.	-	99.99	-	99.99
Marcobre S.A.C.	-	100.00	-	100.00

A brief summary of the business activities of the entities included in the consolidated financial statements is presented below:

- Minera Andes del Sur SPA. -
  The corporate purpose of this subsidiary is the exploration and exploitation of mining properties that are acquired or obtained and that facilitate or allow the exploitation of the mineral substances contained them.

- Mineração Taboca S.A. -
  This mining entity is engaged in the exploitation of the Pitinga mine, located in the northeast region in the Amazonas state, in the Federative Republic of Brazil. This mine has mainly resources of tin, as well as other minerals. Taboca also operates the Pirapora smelter located in Sao Paulo.

- Mamoré Mineração e Metalurgia Ltda. -
  This subsidiary is engaged in the operation of the smelting plant of Pirapora, in Sao Paulo, Brazil.

- Minera Latinoamericana S.A.C. -
  Through this subsidiary, the Company has investments in Mineração Taboca S.A. and its subsidiary, as well as in Inversiones Cordillera del Sur Ltda. and its subsidiaries and in Minera Andes del Sur S.P.A.

- Cumbres Andinas S.A.C. -
  Currently, the activity of this subsidiary is limited to holding 100 percent of shares of the mining company Marcobre S.A.C. mining company that is in the construction stage.

- Cumbres del Sur S.A.C. -
  The purpose of this subsidiary is the exploration and exploitation of mining rights and, in general, any other activities directly or indirectly included in the mining activity. Currently, the activities of this subsidiary are limited to investment in mining companies in the exploration stage (Minera Sillustani S.A.C. and Compañía Minera Barbastro S.A.C.).

- Compañía Minera Barbastro S.A.C. -
  The purpose of this subsidiary is the exploration and exploitation of mining rights. Currently, it is engaged in the development of Marta mining unit, located in Tinyacclla, district of Huando, in the Huancavelica's region.

- Minera Sillustani S.A.C. -
  The purpose of this subsidiary is the exploration of mining concessions and quarries, and in the development of mining projects of tungsten Palca 11 and Hacienda de Beneficio Rocio 2, located in San Antonio de Putina, Puno's region. Currently, it is mainly engaged in the rehabilitation and remediation of mining projects of Regina mining unit in Puno.

- Marcobre S.A.C. -
  This subsidiary is engaged in the development of mining activities in Peru, being able to execute and subscribe agreements related to such activity, by its own or through third parties. Currently, its activities are mainly focused in the development of its copper project' Mina Justa, which is in construction stage and its located approximately at 400 kilometers to the southeast of Lima, Ica Region. See letter (b.1).

(e) Approval of consolidated financial statements –
These consolidated financial statements as of December 31, 2018, 2017 and January 1, 2017 (date of adoption of the International Financial Reporting Standards - IFRS 9, 15 and 16) were approved for issue by Management on March 15, 2019 and, In Management's opinion, will be approved without changes at the Board of Director's and at the General Shareholders' Meeting to be held during the first quarter of 2019.

2. Basis of preparation and accounting policies

2.1. Basis of preparation -
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) in force as of December 31, 2018.

The consolidated financial statements have been prepared on a historical cost basis, except for the trade accounts receivable, the financial assets at fair value through profit or loss, the financial assets at fair value through OCI and derivative financial instruments, which have been measured at fair value.

The consolidated financial statements are presented in United States Dollars (US$) and all values have been rounded to the nearest thousands, except when otherwise indicated.

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions, as detailed in Note 3.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation -

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the date of the consolidated statement financial position.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Usually, there is a presumption that a majority of voting rights results in control. Support this presumption and when the Group has less than a majority of the voting, or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Where the Group's interest is less than 100 percent, the interest attributable to outside shareholders is reflected in non-controlling interests (here in after NCI).

The consolidated statement of profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the NCI, even if this result in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial separate statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All assets and liabilities, equity, income, expenses and cash flows related to transactions between the parties of the Group are totally eliminated in the consolidation. A change in the participation of a subsidiary without loss of control is accounted for as an equity transaction.

If the Group losses control over a subsidiary it derecognizes the related assets and liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in the consolidated statement of profit or loss. Any investment retained is recognized at fair value.

2.3. Change in accounting policies and disclosure -

Adoption of new accounting standards

In the fiscal year 2018, the Group has adopted the new standards issued by the IASB, effective as of January 1, 2018; specifically, IFRS 15 "Revenue from Ordinary Activities from Contracts with Customers" and IFRS 9 "Financial Instruments". In addition, as of January 1, 2018, IFRS 16 "Leases" has been early adopted, which application is mandatory on January 1, 2019.

The Group has recorded the impacts that resulted from the adoption of these standards and has incorporated them in the consolidated financial statements as of December 31, 2018.

The description of the main changes and the estimated impact, as applicable, are detailed below:

- IFRS 15 "Revenue from contracts with customers"

  IFRS 15 establishes a five-step model that will be applied to income from ordinary activities from contracts with customers. Under IFRS 15, the income is recognized for an amount that reflects the contractual consideration that has been agreed with the client. The accounting principles established in IFRS 15 provide a more structured approach to measuring and recognizing income.

  For the transition to IFRS 15, the Group has used the full retrospective approach indicated by the standard. As a result, the Group has changed its accounting policy for income as detailed in note 2.4(m) and is mainly related to the following matter:

  - Obligations of performance in sales CIF and CFR

    The Group sells a significant portion of tin metal under the CIF (Cost, Insurance and Freight) and CFR (Cost and Freight) incoterms, in which Management has identified two different performance obligations: (i) the sale of the final product and (ii) the logistics management activities (transport and insurance) that the Group carries out for its customers, after the transfer of control of the products at the loading port, that is, when it crosses the edge of the ship.

    Within the framework of the regulations in effect until 2017, the separation of income between these two elements was not required, so that the entire consideration for the sale was attributed to income from product sales and the cost of transportation and logistics activities was presented as part of sales expenses. As a result of the calculations made, no impact was determined on the Group's equity as of January 1 and December 31, 2017, however, in the presentation of the consolidated statement of profit or loss as of December 31, 2017, the cost of sale items and selling expenses have changed by US$3,093,000.

- Considerations about "Principal" and "Agent" for freight and shipping services
  As indicated above, in some CIF and CFR sales, the Group is responsible for providing freight and shipping services. Although the Group does not provide or operate the vessels or trucks, the Group has determined that it is the principal in these agreements because it concluded that it controls the specified services before they are provided to the client. This is on the basis that the Group obtains control of a right to freight and shipping services after the conclusion of the contract with the customer, but before these services are provided to the customer.

  The terms of the agreement between the Group and the service provider give the Group the ability to direct the service provider to provide the specified services on behalf of the Group. In addition, the Group has concluded that the following indicators provide evidence that it controls the freight and shipping services before they are provided to the customer:

  - The Group is primarily responsible for compliance with the commitment to provide freight and shipping services. Although the Group has hired a service provider to perform the services committed to the client, it is the Group itself that is responsible for ensuring that the services are performed and are acceptable to the client (i.e., the Group is responsible for compliance with the commitment included in the contract, regardless of whether the Group performs the services by itself or contracts with an external service provider to perform the services).

  - The Group has discretion to establish the price of the services for the client, since this is negotiated directly with the client.

- IFRS 9 "Financial Instruments"
  IFRS 9 presents changes mainly in the following areas: the classification and measurement of financial instruments, the impairment of financial assets, hedge accounting and the accounting for changes in financial liabilities.

  For the transition to IFRS 9, the Group has used the full retrospective approach indicated by the standard. As a result, the Group has changed its accounting policy for financial instruments as detailed in Note 2.4(b). The aspects associated with hedge accounting and changes in liabilities have no impact on the initial application of IFRS 9 for the Group.

The main impacts resulting from the initial application of IFRS 9 are associated with aspects of classification, measurement and impairment of the financial assets described below:

- Classification and measurement of financial assets
  IFRS 9 includes three main classification categories for financial assets:
  - amortized cost,
  - fair value through other comprehensive income, and
  - fair value through profit or loss

The classification of financial assets under IFRS 9 is based both on the business model in which a financial asset is managed and on the characteristics of the contractual cash flows of those instruments. The standard eliminates the existing categories of IAS 39 from held-to-maturity, loans and accounts receivable and available for sale.

The main changes resulting from the evaluation of the new concepts of IFRS 9 in terms of classification and measurement are described below:

- Certain tin metal sales made by the Group contain provisional pricing specifications that are settled on a date subsequent to the delivery of the metal with the current price on that date. The revenue from these sales is recognized at the time of delivery of the metal and is valued based on the estimated price expected to be received at the end of the quotation period (hereinafter "QP"), using the most recent estimate of tin metal (based on the initial results of the trial) and the estimated forward price. With the previous IAS 39, in sales with provisional prices, an implicit derivative was identified, which was separated and recognized at fair value through profit or loss in each period until the final settlement presented in the net sales item of the consolidated statement of profit or loss.

  IFRS 15 requires separating the elements of a sales contract to be treated according to the corresponding standard, that is; IFRS 15 or IFRS 9. Therefore, for this case, because IFRS 9 eliminated the probability of separating the embedded derivatives in financial assets and given that this asset does not pass the test of being a solely payments of principal and interest assets (hereinafter "SPPI"), so they have to be measured entirely at fair value through profit or loss. Changes in fair value are presented in the "Net sales" caption of the consolidated statement of profit or loss.

As a result of this change, the Group has determined that the appropriate classification for these instruments will be fair value through profit or loss, so it will measure at fair value the accounts receivable from sales with provisional prices, incorporating the variability in future prices, as well as the credit risk of the counterparts. Changes in fair value will be recognized in profit or loss as part of the revenue caption.

- The Group held investments in mutual funds in the category of assets available for sale measured at fair value with changes in other comprehensive income. With the application of IFRS 9, these investments do not pass the test of being SPPI, so they have to be recognized at fair value through profit or loss.

- The Group has investments in equity instruments in BBVA Spain and Rímac Seguros and Reaseguros, which were classified as at fair value through profit or loss. With the application of IFRS 9, the Group has determined that will classify these investments as financial assets at fair value with changes through other comprehensive income, because the Group hold those more for strategic purposes than for sale intentions.

- Impairment
  IFRS 9 replaces the model of incurred losses presented in IAS 39 to an expected credit loss model (ECL). IFRS 9 requires that the PCE of all its financial assets be recorded, except those that are carried at fair value with changes through profit or loss and shares, estimating the same over 12 months or for the entire life of the financial instrument ("lifetime"). In accordance with the provisions of the standard, the Group will apply the simplified approach (which estimates the loss for the life of the financial instrument), for trade accounts receivable, and the general approach for other financial assets; the same that requires assess whether or not a significant increase in risk exists to determine whether the loss should be estimated based on 12 months after the reporting date or during the entire life of the asset.

From the application of this new concept of ECL, the Group has determined the following impacts in its consolidated financial statements:

- Accounts receivable from sales with a provisional price recognized at amortized cost required an impairment assessment. With the application of IFRS 9, these items will be measured at fair value with changes through profits of loss, so the impairment assessment will no longer be required.

  - Commercial accounts receivable from other sales will be subject to impairment evaluation applying the simplified approach. However, the Group has concluded that based on the historical behavior of its clients portfolio where no defaults are observed, the credit quality of the clients and a qualitative evaluation of prospective macroeconomic information will not be required the recognition of impairment provision of accounts due to it is not expected that the level of credit risk in the future will deteriorate significantly.

- IFRS 16 "Leases"

  IFRS 16 introduces new criteria for recognizing, measuring, presenting and disclosing leases and requires lessees to recognize all leases under a single model similar to financial lease accounting in IAS 17, the standard includes two exceptions for lessees: a) leases in which the underlying asset is considered as low value and b) short-term leases. At the start date of each lease, the lessee must recognize a right-of-use asset that represents its right to use the underlying leased asset and a lease liability that represents its obligation to make lease payments. In addition, it is required to separately recognize interest and depreciation expenses of the right-of-use asset.

  For the transition to IFRS 16, the Group has decided to early adopt IFRS 16 as of January 1, 2018, applying the full retrospective approach. As a result, the Group has changed its accounting policy for lease agreements as detailed in note 2.4(g).

  The main impact of the application of IFRS 16 for the Group is the recognition of right-of-use assets of contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Group did not apply the standard to contracts that had not been identified as leases applying IAS 17 and IFRIC 4.

  In addition, the Group used the standard's exception for lease agreements which due date is twelve months after the date of initial adoption and in lease contracts where the underlying asset is considered as low value.

Change of accounting policy of capitalization of development costs -

During 2018, the Group modified its accounting policy for the capitalization of development costs and therefore began to capitalize the administrative costs directly related to the development of its mining projects. Considering that this is a change in an accounting policy, following the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors", the Group restated its consolidated financial statements.

Until December 31, 2017, the Group recorded the administrative expenses directly related to the development of its mining projects as expenses in the consolidated statement of profit or loss; based on this change in its accounting policy, as of January 1, 2017, the Group has reclassified these expenses as part of the development costs in the consolidated statements of financial position.

The impacts of the accounting changes in the consolidated financial statements of the comparative periods, including their tax effect, are described below:

Adjustments to the captions of the consolidated statement of financial position as of January 1, 2017 -

Consolidated statement of financial position	Balance as of January 1, 2017 (Audited) US$(000)	Impacts due to change in the accounting policy of capitalization of development costs US$(000)	Impacts IFRS 9 US$(000)	Impacts IFRS 15 US$(000)	Impacts IFRS 16 US$(000)	Balance as of January 1, 2017 (Restated) US$(000)
Current assets						
Cash and cash equivalents	272,357	-	-	-	-	272,357
Other financial assets	111,159	-	-	-	-	111,159
Trade and other receivables, net	98,937	-	(302)	-	-	98,635
Derivative financial instruments	394	-	-	-	-	394
Inventory, net	100,215	-	-	-	-	100,215
Available-for-sale financial assets	36,890	-	(36,890)	-	-	-
Financial assets at fair value through OCI	-	-	42,962	-	-	42,962
Available-for-sale financial assets	3,270	-	-	-	-	3,270
Financial assets at fair value through profit or loss	6,072	-	(6,072)	-	-	-
Income tax prepayments	338	-	-	-	-	338
Prepaid expenses and taxes	2,140	-	-	-	-	2,140
Total current assets	631,772	-	(302)	-	-	631,470
Non-current assets						
Trade and other receivables, net	53,664	-	-	-	-	53,664
Available-for-sale financial assets	128,810	-	(128,810)	-	-	-
Financial assets at fair value through profit or loss	-	-	128,810	-	-	128,810
Investments in associates	345,523	-	-	-	-	345,523
Property, plant and equipment, net	525,934	-	-	-	42	525,976
Intangible assets, net	390,688	2,412	-	-	-	393,100
Right-of-use assets, net	-	-	-	-	24,816	24,816
Deferred income tax assets, net	85,795	(783)	946	-	52	86,010
Income tax prepayments	181	-	-	-	-	181
Prepaid expenses and taxes	1	-	-	-	-	1
Total non-current assets	1,530,596	1,629	946	-	24,910	1,558,081
Total asset	2,162,368	1,629	644	-	24,910	2,189,551

Consolidated statement of financial position	Balance as of January 1, 2017 (Audited) US$(000)	Impacts due to change in the accounting policy of capitalization of development costs US$(000)	Impacts IFRS 9 US$(000)	Impacts IFRS 15 US$(000)	Impacts IFRS 16 US$(000)	Balance as of January 1, 2017 (Restated) US$(000)
Liabilities						
Current interest-bearing loans and borrowings	106,781				14,907	121,688
Trade and other accounts payable	141,798	-	-	-	-	141,798
Derivative financial instruments	5,487	-	-	-	-	5,487
Income tax payable	9,319	-	-	-	-	9,319
Current provisions	33,959	-	-	-	-	33,959
Embedded derivatives for sale of tin	165	-	(165)	-	-	-
Total current liabilities	297,509	-	(165)	-	14,907	312,251
Non-current interest-bearing loans and borrowings	444,730	-	-	-	10,339	455,069
Trade and other payables	39,450					39,450
Non-current provisions	146,470	-	-	-	-	146,470
Deferred income tax liabilities, net	38,272	-	-	-	-	38,272
Total non-current liabilities	668,922	-	-	-	10,339	679,261
Total liabilities	966,431	-	(165)	-	25,246	991,512
Equity						
Capital stock	601,269	-	-	-	-	601,269
Investment shares	300,634	-	-	-	-	300,634
Legal reserve	120,261	-	-	-	-	120,261
Reinvested earnings	39,985	-	-	-	-	39,985
Other reserves	36,481	-	-	-	-	36,481
Facultative reserves	424	-	-	-	-	424
Cumulative translation reserve	(174,543)	-	-	-	-	(174,543)
Unrealized results	(380)	-	(8,677)	-	-	(9,057)
Retained earnings	271,616	1,629	9,486	-	(336)	282,395
Equity attributable to equity holders of the parent	1,195,747	1,629	809	-	(336)	1,197,849
Non-controlling interests	190	-	-	-	-	190
Total equity	1,195,937	1,629	809		(336)	1,198,039
Total liabilities and equity	2,162,368	1,629	644	-	24,910	2,189,551

Adjustments to the captions of the consolidated statement of financial position as of December 31, 2017 -

Consolidate statements of financial position	Balance as of December 31, 2017 (Audited) US$(000)	Impacto inversiones en asociadas US$(000)	Impacts due to change in the accounting policy of capitalization of development costs US$(000)	Impacts IFRS 9 US$(000)	Impacts IFRS 15 US$(000)	Impacts IFRS 16 US$(000)	Balance as of December 31, 2017 (Restated) US$(000)
Current assets							
Cash and cash equivalents	240,481	-	-	-	-	-	240,481
Other financial assets	160,444	-	-	-	-	-	160,444
Trade and other receivables, net	103,423	-	-	486	-	-	103,909
Derivative financial instruments	315	-	-	-	-	-	315
Inventory, net	110,078	-	-	-	-	-	110,078
Embedded derivatives for sale of tin	601			(601)			-
Available-for-sale financial assets	2,935	-	-	(2,935)	-	-	-
Financial assets at fair value through OCI	-	-	-	40,052	-	-	40,052
Available-for-sale financial assets	3,168	-		-			3,168
Financial assets at fair value through profit or loss	37,117	-	-	(37,117)	-	-	-
Income tax prepayments	345			-			345
Prepaid expenses and taxes	1,965	-	-	-	1	-	1,966
Total current assets	660,872	-	-	(115)	1	-	660,758
Non-current assets							
Trade and other receivables, net	62,702	-	-	-	-	-	62,702
Financial assets at fair value through profit or loss	-	-	-	131,713	-	-	131,713
Available-for-sale financial assets	131,713	-	-	(131,713)	-	-	-
Investments in associates	303,307	810	-	-	-	-	304,117
Property, plant and equipment, net	508,558	-	450	-	-	54	509,062
Intangible assets, net	465,901	-	6,445	-	-	-	472,346
Right-of-use assets, net	-	-			(1)	24,976	24,975
Deferred income tax assets, net	136,744	-	(2,319)	940	-	128	135,493
Income tax prepayments	4	-	-	-	-	-	4
Total non-current assets	1,608,929	810	4,576	940	(1)	25,158	1,640,412
Total asset	2,269,801	810	4,576	825	-	25,158	2,301,170

Consolidate statements of financial position	Balance as of December 31, 2017 (Audited) US$(000)	Impact investments in associates US$(000)	Impacts due to change in the accounting policy of capitalization of development costs US$(000)	Impacts IFRS 9 US$(000)	Impacts IFRS 15 US$(000)	Impacts IFRS 16 US$(000)	Balance as of December 31, 2017 (Restated) US$(000)
Liabilities							
Current interest-bearing loans and borrowings	69,882	-	-	-	-	10,517	80,399
Trade and other accounts payable	151,385	-	-	-	-	-	151,385
Derivative financial instruments	476	-	-	-	-	-	476
Income tax payable	4,354	-	-	-	-	-	4,354
Current provisions	23,690	-	-	-	-	-	23,690
Total current liabilities	249,787	-	-	-	-	10,517	260,304
Non-current interest-bearing loans and borrowings	520,252	-	-	-	-	15,102	535,354
Trade and other payables	31,641	-	-	-	-	-	31,641
Non-current provisions	160,948	-	-	-	-	-	160,948
Deferred income tax liabilities, net	102,189	-	-	-	-	-	102,189
Total non-current liabilities	815,030	-	-	-	-	15,102	830,132
Total liabilities	1,064,817	-	-	-	-	25,619	1,090,436
Equity							
Capital stock	601,269	-	-	-	-	-	601,269
Investment shares	300,634	-	-	-	-	-	300,634
Legal reserve	120,261	-	-	-	-	-	120,261
Reinvested earnings	39,985	-	-	-	-	-	39,985
Other reserves	13,687	-	-	-	-	-	13,687
Facultative reserves	424	-	-	-	-	-	424
Cumulative translation reserve	(166,977)	-	-	-	-	-	(166,977)
Unrealized results	4,628	-	-	(3,691)	-	-	937
Retained earnings	290,903	810	4,576	4,516	-	(461)	300,344
Equity attributable to equity holders of the parent	1,204,814	810	4,576	825	-	(461)	1,210,564
Non-controlling interests	170	-	-	-	-	-	170
Total equity	1,204,984	810	4,576	825	-	(461)	1,210,734
Total liabilities and equity	2,269,801	810	4,576	825	-	25,158	2,301,170

Adjustments to the captions of the consolidated statement of profit or loss as of December 31, 2017 –

Consolidated statements of profit or loss	For the period ended December 31, 2017 (Audited) US$(000)	Impacts investments in associates US$(000)	Impacts due to change in the accounting policy of capitalization of development costs US$(000)	Impacts IFRS 9 US$(000)	Impacts IFRS 15 US$(000)	Impacts IFRS 16 US$(000)	For the period ended December 31, 2017 (Restated) US$(000)
Net sales	672,101	-	-	23	-	-	672,124
Cost of sales	(413,362)	-	-	-	(3,093)	754	(415,701)
Gross profit	258,739	-	-	23	(3,093)	754	256,423
Administrative expenses	(48,590)	-	3,143	-	-	75	(45,372)
Selling expenses	(7,036)	-	-	-	3,093	-	(3,943)
Exploration and evaluation expenses	(38,945)	-	1,142	-	-	-	(37,803)
Impairment loss	(26,910)	-	(250)	-	-	-	(27,160)
Other expenses, net	16,226	-	-	-	-	-	16,226
Total operating expenses	(105,255)	-	4,035	-	3,093	75	(98,052)
Operating income	153,484	-	4,035	23	-	829	158,371
Finance income	13,824	-	-	-	-	-	13,824
Finance costs	(43,369)	-	450	-	-	(960)	(43,879)
Profit from investment in associates, net	13,002	810	-	-	-	-	13,812
Loss from financial assets at fair value through profit or loss	9,837	-	-	(6,934)	-	-	2,903
Dividends income	315	-	-	-	-	-	315
Exchange difference, net	(3,470)	-	-	-	-	(72)	(3,542)
Total other expenses, net	(9,861)	810	450	(6,934)	-	(1,032)	(16,567)
Profit before income tax	143,623	810	4,485	(6,911)	-	(203)	141,804
Income tax	(63,143)	-	(1,537)	1,942	-	77	(62,661)
Net profit	80,480	810	2,948	(4,969)	-	(126)	79,143

Adjusments to the captions of the consolidated statements of other comprehensive income as of December 31, 2017 -

Consolidated statements of other comprehensive income	**For the period ended December 31, 2017** (Audited) US$(000)	Impacts in Investments in associates US$(000)	**Impacts due to change in the accounting policy of capitalization of development costs** US$(000)	**Impacts IFRS 9** US$(000)	**Impacts IFRS 15** US$(000)	**Impacts IFRS 16** US$(000)	**For the period ended December 31, 2017** (Restated) US$(000)
Net profit	80,480	810	2,948	(4,969)	-	(126)	79,143
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		-					
Exchange differences on translation	7,566	-	-	-	-	-	7,566
Unrealized results of invesments	5,852	-	-	7,072	-	-	12,924
Income tax	(844)	-	-	(2,086)	-	-	(2,930)
Other comprehensive income for the year	12,574	-	-	4,986	-	-	17,560
Total comprehensive income for the year, net of its income tax	93,054	810	2,948	17	-	(126)	96,703

In addition, the application of IFRS 16 resulted in changes in the presentation of the consolidated statement of cash flows for the year 2017 period. The leasing payments from January to December 2017 amounted to US$15,943,000 and were originally presented as part of the operating activities. As a result of the adoption of IFRS 16, they are presented in the restated consolidated statement cash flows as part of the financing activities.

Certain amendments and interpretations apply for the first time for annual periods beginning on or after January 1, 2018; however, they did not have an impact on the Group's consolidated financial statements and, therefore, have not been disclosed. The Group, with the exception of IFRS 16, has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.4. Summary of significant accounting policies -

The accounting policies that have been modified by the implementation of IFRS 9, 15 and 16 and by the change in the accounting policy of development costs are described; the other policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2017 as described below:

(a) Cash and cash equivalents -

Cash and cash equivalents in the consolidated statement of cash flows comprise cash, banks and on hand and short-term deposits with an original maturity of three months or less.

For presentation purposes in the consolidated statement of cash flows, cash and cash equivalents include cash, term deposits and highly liquid investments, whose original maturity is three months or less.

Those term deposits and investments whose original maturity is greater than three months will be presented in the caption "Other financial assets" of the consolidated statement of financial position.

(b) Financial instruments: Initial recognition and subsequent measurement -

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets -

Initial recognition and measurement

Financial assets are classified, on initial recognition, as financial assets at fair value (with changes in results or other comprehensive income) or assets measured at amortized cost. All financial assets are initially recognized at fair value.

The Group's financial assets include cash and cash equivalents, trade and other accounts receivable, financial assets at fair value through profit or loss and financial assets at fair value through OCI.

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

- Amortized cost (debt instruments),
- At fair value through changes in other comprehensive income (equity instruments) and
- At fair value through changes in profit or loss.

The classification depends on the Group's business model and the contractual terms of the cash flows.

Financial assets measured at amortized cost -
A financial asset is measured at amortized cost if the following two conditions are met: (i) the financial asset is maintained within a business model whose objective is to maintain the financial assets to obtain the contractual cash flows; and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of the principal and interest on the amount of the outstanding principal.

These assets are subsequently measured at amortized cost using the effective interest rate method (EIR) and are subject to impairment. Any gain or loss from derecognition, modification or impairment is recognized the consolidated statement of profit or loss.

This category includes loans, certain trade accounts receivable and various accounts receivable. See note 7 for more information on accounts receivable.

Fair value through changes in other comprehensive income - Debt instruments
A financial asset is measured at fair value through changes in other comprehensive income (OCI) if the following two conditions are met: (i) The financial asset is conserved within a business model whose objective is met both by obtaining the contractual cash flows and selling the cash flows. financial assets, and (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest.

Interest income calculated under the effective interest rate method (EIR), foreign currency translation gains and losses and impairment are recognized in the consolidated statement of profit or loss. Changes in fair value are recognized in other comprehensive income. At the time of derecognition. The accumulated profits and losses in other comprehensive income are reclassified to the consolidated statement of profits or loss.

The Group does not have this type of financial assets.

Fair value with changes in other comprehensive income - Equity instruments
Upon initial recognition, the Group can elect to classify irrevocably its investments in equity as equity instruments designated at fair value through OCI when they meet the definition of an equity instrument under IAS 32 "Financial Instruments: Presentation" and It is not held for negotiation. The classification is determined at an instrument by instrument basis.

Profits and losses from changes in the fair value of these instruments are recognized in OCI and are never reclassified to the consolidated statement of profit or loss. Dividends are recognized as income in the consolidated statement of profit or loss, except when the dividend clearly represents a recovery of part of the cost of the investment. The Group has classified certain investments in shares as financial assets at fair value with changes in other comprehensive income, see note 9.

Financial assets at fair value through profit or loss -
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated since their initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the short term. Financial assets whose cash flows are not only payments of principal and interest are classified and measured at fair value through profit or loss, without considering their business model. Notwithstanding the aforementioned criteria for debt instruments classified at amortized cost or at fair value through OCI, debt instruments may be classified at fair value through profit or loss if a measurement inconsistency or accounting recognition is eliminated or significantly reduced.

Financial assets at fair value through profit or loss are presented in the consolidated statements of financial position with its net fair value changes recognized in the statements of profit or loss.

The Group has classified certain investments as financial assets at fair value through profit or loss, see note 10.
Embedded derivatives in a hybrid contract that contains a financial asset as a host are not accounted for separately. The host financial asset (account receivable) as well as the embeded derivative are recorded as a financial asset at fair value through profit or loss.

Derecognition
The Group will continue to recognize the asset when it has transferred its rights to receive the cash flows generated by the asset, or has entered into a pass through agreement, but has not transferred or retained substantially all the risks and benefits of the asset, nor has transferred its control.

In this case, the Group will recognize the transferred asset to the extent of its continued involvement in the asset and also recognize the related liability. The transferred asset and the related liability will be measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment -
The Group evaluates the expected credit losses (ECLs) associated with its debt instruments recorded at amortized cost and at fair value through OCI, taking into account prospective information.

In order to estimate the ECLs of loans granted to related parties the Group applies the general approach that implies estimating expected losses of 12 months or over the entire term of the instrument, depending on whether there is a significant increase in credit risk (except in cases in which the Group considers that it is a loan with low credit risk and it is always ECLs losses of 12 months).

In determining whether the credit risk of a financial asset has increased significantly since initial recognition in estimating ECLs, the Group considers reasonable and sustainable information that is relevant and available without cost or undue effort.

(ii) Financial liabilities -
Recognition and initial measurement -
Financial liabilities are classified at the time of initial recognition as financial liabilities at fair value through profit or loss, loans and accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade accounts payable, other accounts payable and financial obligations.

Subsequent measurement -
Liabilities classified at amortized cost are measured using the effective interest rate method (EIR). Profits and losses are recognized in the consolidated statements of other comprehensive income when the liabilities are written off, as well as through the amortization process according to the effective interest rate method (EIR).

The amortized cost is calculated taking into account any discount or premium on the acquisition and the commissions or costs that are an integral part of the effective interest rate (EIR). Amortization under with the effective interest rate method is recognized as financial cost in the consolidated statements of profit or loss.

Derecognition -
A financial liability is derecognized when the obligation specified in the corresponding contract has been paid, cancelled or expired.

When an existing financial liability is replaced by another liability from the same lender under substantially different conditions, or if the conditions of an existing liability are substantially modified, such a swap or modification is treated as a derecognition of the original liability and recognition of a new liability, and the difference between the respective amounts in books is recognized in the consolidated statements of other comprehensive income.

(iii) Offsetting of financial instruments -
Financial assets and financial liabilities are offset so the net amount is reported in the consolidated statement of financial position, and if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(iv) Fair value -

The Group measures financial instruments as embedded derivatives, derivative financial instruments, available-for-sale investments and financial assets at fair value at the date of the consolidated statements of financial position which effects is reflected in the consolidated statements of profit or loss. Fair value of the financial instruments measured at its amortized cost are disclosed in note 37.

The Group uses valuation techniques that are appropriate according the circumstances which count with sufficient available data to measure the fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are of within the fair value hierarchy, described as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(c) Foreign currency translation -

The Group’s consolidated financial statements are presented in U.S Dollars, which is also the Group’s functional and presentation currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances -

Transactions in foreign currencies (different currency other than the functional currency) are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences arising on settlement or translation of monetary items are taken to the statements of profit or loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

Translation of financial statements of foreign subsidiaries into U.S. dollars –
The financial statements of the foreign subsidiaries are stated in the functional currency (Soles for Minera Sillustani S.A.C and Compañía Minera Barbastro S.A.C., Chilean pesos for Minera Andes del Sur S.P.A. and Brazilian Reales for Mineração Taboca S.A. and subsidiaries), and are then translated into U.S. dollars. For these purposes, all assets and liabilities of foreign operations are translated at the exchange rate for sales prevailing at the reporting date, and all equity accounts are translated using exchange rates prevailing at the dates of the transactions.

The items of income and expense items are translated at the exchange rate for sales, in the cases when the exchange rate does not approach to the exchange rate of the transactions, the Group use the exchange rate of transaction. The exchange differences arising on translation are recognized in other comprehensive income the consolidated statements of other comprehensive income.

Result by translation of associates -
In the determination of the equity method of some companies whose (Inversiones Cordillera del Sur Ltda. which prepare their financial statements in Chilean pesos, Rímac Seguros y Reaseguros (until August 2017) and Futura Consorcio Inmobiliario S.A., which prepare their financial statements in soles) functional currency is different from the functional currency of the Group calculates a translation result, which is the result of the translation of the balances at each closing date. The differences generated are shown in OCI of the consolidated statements of comprehensive income.

(d) Inventories -
The finished products and work in progress are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are recorded as follows:

Raw materials -
- Purchase cost using the weighted average method.

Finished goods, work in progress and mineral pitch -
- Cost of direct materials and supplies, services provided by third parties, direct labor and a proportion of manufacturing overheads based on normal operating capacity, excluding borrowing costs and exchange currency differences.

Inventory in transit -

- Purchase cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated costs necessary to make the sale.
The estimate (reversal) for loss in net realizable value or for obsolescence of supplies is calculated on the basis of a specific analysis carried out annually by the Management and is charged (credited) to profit or loss in the year in which the need is determined of the estimate (reversal).

(e) Investments in associates -

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

Investments in associates are recorded using the equity method.

The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment, and is neither amortized nor individually tested for impairment.

The consolidated statements of profit or loss reflects the share of the Group in the results of operations of the subsidiaries and associates.

When there has been a change recognized directly in the equity of the associate, the Group recognizes the participation in this change and accounts for, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses on common transactions are eliminated in proportion to the interest held in the associate.

The Group's participation in the profits or losses of the associates are presented separately in the consolidated statement of profit or loss and represents the profit or loss after tax of associates.

The reporting dates of the Group and associates are identical and the accounting policies of associates are consistent with those used by the Group for similar transactions and events.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on investments in associates.

The Group determines at each date of the consolidated statement of financial position whether there is objective evidence that the investment in the associates are impaired. If applicable, the Group calculates the amount of impairment as the difference between the fair value of the investment in the associate and the carrying value and recognizes the loss in the consolidated statement of profit or loss.

In the event of loss of significant influence on the associates, the Group measures and recognizes any accumulated investment at its fair value. Any difference between the book value of the associates at the time of loss of significant influence, the fair value of the investment held and the proceeds from the sale, is recognized in the consolidated statements of profit or loss.

(f) Property, plant and equipment -

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The initial cost an asset comprises its purchase price or construction cost, any costs directly attributable to the asset being ready to be used, the initial estimate of the asset retirement obligation, and borrowing costs related to the assets. The capitalized value of a finance lease is also included within property, plant and equipment.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation –

Units-of-production (UOP) method:

Depreciation related to assets involved to mining activities whose useful life is greater than the life of mine is calculated using the units-of-production (UOP) method, based on reserves economically recoverable of each mine.

Straight-line method -
Depreciation of assets whose useful life is shorter than the life of the mine, or that these are related to administrative, is calculated using the straight-line method, based on the useful life of the assets. The estimated useful life of such assets is presented as follows:

	Years
Building and other constructions of the San Rafael mining unit	Between 2 and 5
Building and other constructions of the Pucamarca mining unit	Between 3 and 5
Buildings and other constructions related to smelting plant Pisco	Between 4 and 29
Buildings and other constructions of the Taboca mining unit	Between 25 and 36
Machinery and equipment	Between 1 and 6
Furniture, fixtures, computer equipments, communication and security equipments	Between 2 and 10
Vehicles	Between 3 and 6

The assets' residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Disposals -
An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of profit or loss when the asset is derecognized.

(g) Leases -
At the start of a contract, the Group evaluates whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration. To evaluate whether a contract transfers the right to control the use of an identified asset, the Group evaluates whether:

- the contract implies the use of an identified asset, which can be specified explicitly or implicitly, and must be physically different or represent substantially the entire capacity of a physically different asset. If the supplier has a substantive right to substitute the asset throughout the entire period of use, then the asset is not identified;

- The Group has the right to obtain substantially all the economic benefits of using the asset during the entire period of use; and
- The Group has the right to direct the use of the identified asset throughout the period in use. The Group has this right when most relevant rights related to take decisions about modifying the use and the purpose of the asset are available. In rare cases, in which all decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if:
  - the Group has the right to operate the asset; or
  - The Group has designed the asset in a way that predetermines the form and for what purpose it will be used.

In its role as lessee, the Group recognizes an asset for right of use and a liability for lease on the date when the lease begins.

Right-of-use asset -
The right-of-use asset is measured initially at its cost, which comprises the initial amount of the lease liability adjusted by any lease payment made on or before the start date, in addition to the initial direct costs incurred and an estimate of the costs of dismantling the underlying asset or to restore the site in which it is located, less any incentive received for the lease.

The right-of-use asset is straight lined depreciated over the shorter term between the lease term and the useful life of the underlying asset. In addition, the right-of-use asset is subject to impairment, if there are indications.

Right-of-use liability-
The lease liability is initially measured at the present value of the lease payments that are pending payment at the start date, discounted using the interest rate implicit in the lease or if the rate can not be easily determined, applying the incremental debt rate.

Lease payments include: fixed or variable payments that depend on an index or a rate. When the leases include termination or extension options that the Group considers reasonably certain to exercise them, the cost of the option is included in the lease payments.

The subsequent measurement of the liability is made when there is a change in future lease payments resulting from a change in an index or rate, if there is a change in the estimate of the amount that is expected to be paid for a residual value guarantee or if the Group changes its evaluation of whether it will exercise a purchase, extension or termination option, recognizing an adjustment in the carrying value of the right-of-use asset, or in profit or loss if the right-of-use asset does not maintain a balance account.

Exceptions to recognition -
The Group does not recognize assets for right of use and lease liabilities, for short-term leases of machinery and equipment that have a lease term of 12 months or less and leases assets considered as low value, including computer equipment. The Company does not recognize the lease payments associated with these lease agreements as an expense on a straight-line basis over the term of the lease.

(h) Stripping (waste removal) costs –
As part of its mining operations, the Group incurs waste removal costs (stripping costs) during the development phase and production. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalized and their accounting treatment is as explained in point (g) above.

The costs incurred during the production phase (stripping costs) are realized to obtain two benefits: the production of inventories or better access to mineral that will be exploited in the future. When the benefits are realized to the production of inventories they are recorded as part of the cost of production of this inventories. When the benefits obtained give access to the mineral to be exploited in the future and the operation is open pit, then these costs are recognized as non-current assets (stripping costs) if the three following criteria are met:

- Future economic benefits are probable;
- The component of the ore body for which access will be improved can be accurately identified; and
- The costs associated with the improved access can be reliably measured.

In identifying components of the ore body, the Group works closely with the mining operations personnel for each mining operation to analyze each of the mine plans.

Substantially stripping costs incurred by the Group are related to the production of inventory and not to improved access to the ore to be mined in the future.

(i) Intangible assets -
Intangible assets acquired separately are measured on initial recognition at cost.

Mining concessions -
The mining concessions represent the right of exploration and exploitation that the Group has over the mining properties that contain the acquired mineral reserves and resources. Those mining concessions are amortized starting from the production phase following the units-of-production method based on proved reserves to which they relate. In case the Group abandons the concessions, the associated costs are charged directly to the consolidated statement of profit or loss.

At the end of year, the Group assesses at each unit mine whether there is an indication that the value of its mining concessions may be impaired. If any indication exists, the Group estimates the asset's recoverable amount.

Mining concessions are presented within the caption "Intangibles assets, net" in the consolidated statement of financial position.

Exploration and evaluation expenditure -
Exploration and evaluation costs include the activities of search of mineral resource, the determination of viability technical and the assessment of the commercial viability of an identified resource. These costs are charged to expenses according to be incurred until such time as the technical and commercial viability of the identified resource is determined (pre-feasibility study). From the beginning of the stage of definition of technical and commercial feasibility of high precision (feasibility study), the costs incurred are capitalized. Exploration activities include:

- Researching and analyzing historical exploration data.
- Gathering exploration data through geophysical studies.
- Exploratory drilling and sampling.
- Determining and examining the volume and grade of the resource.
- Surveying transportation and infrastructure requirements.
- Conducting market and finance studies.

Development costs -
When it is determined that a mineral property can be economically viable, that is, when determining the existence of proven and probable reserves, the costs incurred to develop such property, including additional costs to delineate the ore body and remove any impurities are capitalized as development costs in the caption "Intangible assets, net". The capitalization of development costs stars at the beginning of the stage of definition of technical and economic viability. These costs are amortized using the units of production method, using the proven and probable reserves.

Development costs activities include:

- Engineering and metallurgical studies.
- Perforations and other costs necessary to delineate a body of ore.
- Removal of the initial clearing related to a mineral body.
- Administrative expenses directly related to the development of the mining project.
- Personnel expenses related to projects in the development stage.

Development costs necessary to maintain production are charged to the cost of production as incurred.

Goodwill -
Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and the liabilities assumed in a business combination.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is assigned, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the profit or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Licenses -
Software is presented at cost and includes all the disbursements directly related to the acquisition or startup of the specific computer program. These costs are amortized using the straight line method over an estimated useful life of 4 years.

Usufruct of lands -
It corresponds to payments for the right to use certain lands near to the mining units of the Group, needed for its operation and are recorded at cost. These costs are amortized using the straight- line method over the life of the respective agreements (between 2 and 10 years).

(j) Impairment of non-financial assets -

The Group assesses, at each reporting date, whether there is an indication that an asset (or cash generating unit - CGU) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal (FVLCD) and its value in use (VIU) and the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining FVLCD, recent market transactions (where available) are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment of inventories, are recognized in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

For assets in general, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses may no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the consolidated statement of profit or loss with exception of impairment loss related to the goodwill.

(k) Provisions -

General –

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation 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 current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost in the consolidated statements of profit or loss.

Provision for closure of mining units -

At the time of initial recognition of the provision for closure of mining units, the fair value of the estimated costs is capitalized by increasing the carrying amount of the long-lived assets (development costs and property, plant and equipment). Then, the provision is increased in each period to reflect the financial cost considered in the initial estimation of the fair value and, in addition, the capitalized cost is depreciated and/or amortized on the basis of the useful life of the related asset. In settling the obligation, the Group records in the current results any resulting profit or loss.

The change in the fair value of the obligations or in the useful life of the related assets, resulting from the revision of the initial estimates are recognized as an increase or decrease in the carrying value of the obligation and the related asset. Any reduction in a provision for closure of mining units and, therefore, any reduction of the related asset, may not exceed the carrying amount of such asset. If so, any excess over the carrying amount is immediately taken to the consolidated statement of profit or loss.

If the change in the estimate results in an increase in the provision and, therefore, an increase in the carrying amount of the asset, the Group shall take into account whether this is an indication of impairment of the asset as a whole and shall perform and impairment testing in accordance with IAS 36 "Impairment of Assets".

In the case of mines already closed, changes in estimated costs are recognized immediately in the consolidated statements of profit or loss.

Environmental expenditures and liabilities -

Environmental expenditures related with current or future revenues are recorded as expensed or capitalized, as appropriate. Expenditures that relate to an existing condition caused by past operations and do not contribute to current or future revenues are expensed as incurred.

Liabilities for environmental costs are recognized when an obligation to undertake clean-up activities is probable and the associated costs can be reliably estimated. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, which the decommissioning or closure of inactive sites.

The amount recognized is the best estimate of the expenditure required. Where the liability will not be settled for a number of years, the amount recognized is the present value of the future expenditures estimated.

(l) Employees benefits -
The remunerations, severance contributions, legal bonuses, performance bonuses and vacations to workers are calculated in accordance with IAS 19, "Employee Benefits" and are calculated in accordance with Peruvian legal regulations in force and on an accrual basis.

(m) Revenue recognition -
Revenue is recognized to the extent that a performance obligation is satisfied through the transfer of the goods and services committed to the customer. An asset is transferred when the customer obtains control of that asset.

The revenue will be recognized based on the price of the transaction that is assigned to that performance obligation, to which the Group expects to be entitled to transfer the goods and services committed to the customer, excluding the amounts collected on behalf of third parties.

The consideration that is committed in a contract may include fixed amounts, variable amounts or both.

The following specific criteria must be met in order for a revenue to be recognized:

Metal sales -
The sales of tin and gold are performance obligations that are satisfied at a certain time and are recorded when control of the goods is transferred to the buyer, which happens at the time of the delivery of goods according to the contractual conditions.

Regarding the measurement of certain tin sales, the Group assigns a provisional value to the sales of these metals since they are subject to a final price adjustment at the end of a contractually established period. The exposure to the change in the price of metals generates an implicit derivative that is closely related to the host commercial contract, therefore it is accounted as a single contract. At the end of each period, the initial sale price used must be adjusted according the future price for the quotation period established in the contract. Commercial contracts result in a financial asset representing accounts receivable that are measured at fair value through changes in the consolidated statements of profit or loss and whose subsequent changes in measurement are recognized in the consolidated statements of profit or loss and presented as part of the net sales caption.

The fair value of accounts receivable recognized as part of sales is presented in note 7(a).

Regarding the measurement of gold sales, they are not subject to a final price adjustment, therefore, contracts with customers for the sale of this metal do not generate embedded derivatives.

Revenue from logistics management service -
The revenue from this service derives mainly from the sales of tin under incoterm CIF and CFR ("Cost, Insurance and Freight" and "Cost and Freight" respectively) resulting from the intermediation activities in logistics management (freight and insurance) in favor of its customers, which occurred after the transfer of control of the main asset. The performance obligation is satisfied at a certain time and is recorded when the Group makes the arrangements with the third party so that it carries out the insurance of the shipment and shipment to the destination requested by the customer.

Service revenues -
Revenue from services rendered to related parties is recognized as revenue when they have actually been rendered.

Interest income -
For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the consolidated statements of profit or loss.

Sale of assets -
Income and cost from the sale of assets such as the sale of property, plant and equipment, intangible assets, investments in subsidiaries and associates are recognized as part of income and operating expenses in the consolidated statement of profit or loss.

Dividends –
Revenue is recognized when the Group’s right to receive the payment is established, which is generally when shareholders approve the dividend.

(n) Financing costs -

The financing costs directly attributable to the acquisition, construction or production of a qualified asset are capitalized as part of the cost of an asset. A qualified asset is one that requires a period of time greater than 12 months to be ready for its expected use and represents an investment of more than US$5,000,000. All other financing costs are recognized in the consolidated statement of profit or loss in the period in which they are incurred. Financing costs include interest and other costs incurred by the Group when obtaining financing.

(o) Taxes –

Current income tax -

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax -

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses and to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Significant management judgment to determine the amount of the deferred tax asset that can be recognized based on the probable date of recovery and level of future taxable incomes and future planning strategies are required.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax related to items recognized outside profit or loss is recognize outside profit or loss are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Mining Royalties and Special Mining Tax in Peru -
Mining royalties and special mining tax are accounted for under IAS 12 "Income taxes" since they have the characteristics of income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable net income- rather than physical quantities produced or as a percentage of revenue – after adjustment for temporary differences. Legal rules and rates used to calculate the amounts payable are those in force on the date of the consolidated statements of financial position.

Consequently, payments made by the Group to Government by way of special mining and mining royalty tax are under the scope of IAS 12 and, therefore, is treated as income taxes. Both the mining royalty as the special mining tax generate deferred tax assets or deferred tax liabilities which must be measured using the average rates that are expected to apply to operating profit in the period in which the Group expects will reverse the temporary differences.

Sales tax -

Revenues, expenses and assets are recognized net of the amount of sales tax (added value tax), except:

(i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable.

(ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statements of financial position.

(p) Derivative financial instruments and hedge accounting –

Derivative financial instruments are recognized in the consolidated statement of financial position at their fair value. Fair values are obtained based on quotes and market interest rates. All derivatives are considered as assets when the fair value is positive and as liabilities when the fair value is negative. The profits and losses from changes in fair value are recorded in the statement of changes in equity.

Hedge -

The Group uses derivative instruments to manage its exposure to the variation of the prices of minerals (collars contracts of options at zero cost of minerals) and interest rates. In order to manage these risks, the Group applies hedge accounting for transactions that meet the specific criteria for this.

At the beginning of the hedge relationship, the Group formally documents the relationship between the hedged item and the hedging instrument; including the nature of the risk, the objective and the strategy to carry out the hedge, and the method that will be used to evaluate the effectiveness of the hedge relationship.

At the beginning of the hedging relationship, a formal evaluation is carried out to ensure that the hedging instrument is highly effective in offsetting the risk designated in the hedged item. Hedge are formally evaluated at each reporting date. A hedge is considered to be highly effective if changes in fair value or cash flows are expected to be attributed to the risk hedged during the period for which the hedge is designated and are reasonably offset.

The accounting treatment is established according to the nature of the hedged item and the fulfillment of the hedging criteria, as indicated below:

Cash flow hedges

The Group enters into cash flow hedge contracts to reduce its interest rate risks of exposure to volatility. The effective portion of these hedges is recorded in other comprehensive income and then is transferred to the hedged item when it affects the profit or loss (interest rate); in the case of the prices of the metals, these derivatives are initially recognized at the fair value at the date on which the derivative contract is signed and subsequently measured at fair value. Derivatives are presented as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

The ineffective portion and the time value of the operations related to the exchange rate and interest rate contracts are recognized as financial cost.

If the expected transaction or the firm commitment is no longer expected, the cumulative gain or loss in the cash flow hedge reserve is transferred to the consolidated statement of profit or loss. If the hedging instrument expires or is sold, resolved or exercised without replacement or renewal, or if its designation as a hedge has been revoked, any unrealized gain or loss accumulated in the cash flow hedge reserve is retained in that reserve, until the expected transaction or firm commitment affects results in the same item in which the hedge derivative is recognized.

(q) Basic and diluted earnings per share -

Basic and diluted earnings per share are calculated dividing the net income by the weighted average of common and investment outstanding shares during the period.

As of December 31, 2018 and 2017, the Group does not have dilutive financial instruments, thus the basic and diluted earnings per share are the same for the presented periods.

(r) Transactions between shareholders -

Sale of participation in Cumbres Andinas S.A.C. -

At the General Shareholders' Meeting of the Company dated April 23, 2018, the sale of 40 percent of the shares of Cumbres Andinas S.A.C. to Inversiones Alxar S.A. was approved for a sale price of approximately US$182,397,000, whose closing was completed on May 31, 2018. As a result of this operation and in accordance with the provisions of IFRS 10 "Consolidated financial statements", the Group have recognized the net profit offset of income tax and worker's profit sharing attributable to the transaction for US$39,389,000 in the caption "other reserves" of the consolidated statement of changes in equity. In addition, the Group has recognized in the consolidated statement of changes in equity a loss of US$7,400,000 in the "Other reserves" related to the obligations assumed in the share transfer agreement denominated "Purchase Agreement" between Minsur and Alxar International SpA as shareholders owners of 100 percent of the shares of Cumbres Andinas S.A.C.

3. **Judgements, estimates and assumptions -**

The Group has identified a series of areas where significant judgments, estimates and assumptions are required. The estimates and accounting assumptions are continuously evaluated and are based on Management's experience and other factors, including the expectations of future events that are believed to be reasonable under the current circumstances. Uncertainty about these estimates and accounting assumptions could cause results in future periods that require significant adjustments to the carrying amounts of the affected assets and / or liabilities. More information about each of these areas and the impact on the financial statements and the accounting policies of the Group for the application of judgments, estimates and significant accounting assumptions that have been used is presented below, as well as in the notes to the respective consolidated financial statements.

The judgments, estimates and significant accounting assumptions of the consolidated financial statement presented are consistent with those indicated in the preparation of the annual consolidated financial statement for the year ended December 31, 2017.

These include:

Judgments:
- Contingencies (note 3.1 (a))
- Start date of the development stage (note 3.1 (b))
- Recovery of deferred income tax asset related to the provision for mine closure (note 3.1 (c))
- Stripping costs (clearing costs) (note 3.1 (d))
- Recognition of the investment in Inversiones Cordillera del Sur I Ltda. (Note 3.1 (e))
- Revenue recognition (note 3.1 (f))

Estimates and assumptions:
- Determination of reserves and resources (note 3.2 (a))
- Unit of production method (UOP) (note 3.2 (b))
- Recovery of deferred tax assets (note 3.2 (c))
- Provision for closure of mining units (note 3.2 (d))
- Determination of the net realization value of inventories (note 3.2 (e))
- Impairment of non-financial assets (note 3.2 (f))
- Taxes (note 3.2 (g))
- Determination of the cost of products in process (note 3.2 (h))
- Obsolescence of materials and supplies (note 3.2 (i))
- Recovery of the Value added tax (note 3.2 (j))

3.1. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Contingencies -

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Assessing the existence and potential amount of contingencies inherently involves the exercise of significant judgment and the use of estimates about the outcome of future events.

(b) Start date of development stage –

The Group continuously assesses the status of each of the exploration projects in its mining units in order to determine the effective date on which the development stage will begin. One of the most relevant criteria that is used by the management to evaluate the start date of the development stage is when the Group determines that the property can be economically developed.

(c) Recovery of the deferred income tax asset related to the provision for closing the mining unit -

The Group has recognized a deferred income tax asset related to the provision for the closure of mining units, including the part related to mine closure disbursements that will be made after the closure of the same, which Management estimates will be applied in its entirety to the future taxable income that will be generated from the operations of the refining unit in Pisco.

(d) Waste removal costs (stripping costs) -

The Group incurs in waste removal costs during the production phases of its open pit mine. During the production phase, the costs of stripping (costs of clearing production) can be related to the production of inventories in that period and/or the development of better access and operational flexibility in relation to the mining of ore that is expect to extract in the future. The first are included as part of the production costs of inventories, while the second are capitalized as a separate asset by stripping, when certain criteria are met.

Once the cost of stripping has been identified, it is necessary to identify the different components of the ore bodies in order to accumulate the costs for each component and amortize them based on their respective useful lives. An identifiable component is a specific volume of the deposit that is made more accessible by the stripping activity. An in-depth evaluation is needed to identify and define these components, as well as to determine the expected volumes (for example, tons) of stripping to be exploited and ore extracted in each of these components.

The Group's Management considers that due to the short term of the operation of the open pit operated by the Group (maximum 6 years) and according to the operational planning of the mining unit the mineral waste ratio is very similar in the years of operation of the mining unit, the costs of stripping incurred in each year of operation are directly related to the mineral produced in the same year. As a consequence, all movement costs of sterile material are charged directly to the production cost of the year in which the movement of the sterile material took place.

(e) Recognition of investment in Inversiones Cordillera del Sur I Ltda. -
On January 29, 2015, the subsidiary Minera Latinoamericana S.A.C. subscribed with its related party Inversiones Breca S.A., (hereinafter "Breca") a shareholder agreement by which it was agreed that Breca (minority shareholder of Inversiones Cordillera del Sur I Ltda., hereinafter "Cordillera") would direct all relevant activities of Cordillera since 2015. In accordance with IFRS 10 "Consolidated financial statements", when a loss of control of a subsidiary occurs, the parent company ceases to consolidate the financial information of the subsidiary as of the date on which the loss of control of the subsidiary is produced, and records the investment in that entity as an associate. However, IFRS do not contemplate the accounting treatment in transactions between entities under common control. In this sense, the Management decided, not to consolidate the investment in Cordillera del Sur Ltda.

(f) Revenue recognition -
The Group is mainly engaged in the commercialization of tin and gold, for which it is responsible for providing freight and shipping services. Revenue from contracts with customers is recognized when the control of the assets is transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has concluded that it is the principal in its contracts because it maintains control over the freight and shipping services, having the ability to direct the service provider to provide the specified services on behalf of the Group.

3.2. Estimates and assumptions
The following are key future-related assumptions and other key sources of uncertainty estimates as of the date of the consolidated financial statements and which carry a high risk of significant adjustments to the carrying amounts of assets and liabilities during the next period. The Group has based its estimates and accounting assumption on the basis of the parameters available at the moment of the preparation of these consolidated financial statements. However, the circumstances and assumptions about future events may change due to changes in the market and new circumstances that may arise beyond the control of the Group. The changes are reflected in the assumptions at the time of occurrence.

(a) Determination of mineral reserves -
The Group calculate its reserves using methods generally applied by the mining industry, and in accordance with international guidelines. All reserves computed represent the estimated amounts of proved and probable ore that can be processed economically and legally under the present conditions.

The process of estimating the amount of reserves and mineral resources is complex and requires making subjective decisions at the time of evaluating all the geologic, geophysical, engineering and economic information that is available. Revisions could occur in estimated reserves and resources due to, among other things, revisions of the geologic data or assumptions, changes in assumed prices, production costs and the results of exploration activities. The changes in estimates of mineral reserves could affect mainly the carrying value of mining concessions, development costs, property, plant and equipment; the charge to results corresponding to depreciation and amortization, and the carrying amount of the provision for closure of mining units.

(b) Units of production depreciation (UOP) -
Estimated economically recoverable reserves are used in determining the depreciation and / or amortization of mine specific assets.

This results in a depreciation/amortization charge proportional to the depletion of the anticipated remaining life-of-mine production. The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. Changes in estimates are accounted for prospectively.

(c) Recovery of deferred tax assets -
Judgment is required to determine whether deferred tax assets should be recognized in the consolidated statement of financial position. Deferred tax assets, including those generated by unused tax losses, require Management to evaluate the probability that the Group generates sufficient taxable profits in future periods to use the recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These estimates of future taxable income are based on projections of operating cash flows and judgments about the application of current tax laws. To the extent that the future cash flows and taxable income differ significantly from the estimates, the Group's ability to realize the net deferred tax assets recorded at the reporting date could be affected.

(d) Mine rehabilitation provision –
The Group assesses its mine rehabilitation provision at each reporting date using a discounted future cash flow model. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates and in the periods in which it is expected that such costs will be incurred. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents Management's best estimate of the present value of the future rehabilitation costs required.

(e) Determination of the net realizable value of inventories –
Net realizable value tests are performed at each reporting date and represent the estimated future sales price of the product the entity expects to realize when the product is processed and sold, less estimated costs to complete production and bring the product to sale.

(f) Impairment of non-financial assets –
The Group assesses each asset or cash generating unit in each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. The assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, operating costs, among others. These estimates and assumptions are subject to risk and uncertainty.

The fair value of mining assets is generally calculated by the present value of future cash flows arising from the continued use of the asset, which include some estimates, such as the cost of future expansion plans, using assumptions that a third party might consider. The future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the value of money over time, as well as specific risks of the asset or cash-generating unit under evaluation. The Group determined the units operations of each unit as independent cash-generating unit.

(g) Taxes –
Deferred tax assets are recognized for unused tax losses and other deducting temporary differences in the future to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(h) Determination of the cost of products in process gold –
The leaching ore deposits contain the material extracted from the pit and have a 60-day termination cycle, which are monitored through a stacking control at the cell level, this solution is filtered through pipes and is accumulated in the PLS pool, the quantities in this area is obtained by using a graduated rule drawn on the geomembrane of the PLS Pit.

The rich solution of the PLS (Pregnant Leaching Solution) well is pumped to two lines of adsorption tanks. The first line consists of six in-line pressurized absorption tanks which were previously charged with carbon, which has the property of absorbing the gold. The second is five cascade absorption tanks that are also fed with carbon. To each of the mentioned tanks a balance is made for each column, which takes the flow that enters, the grade that enters and the grade that comes out through samplers, is multiplied by the volume and accumulated ounces are obtained, the difference being what remains in the columns with the carbon. Each circuit has flow meters with daily maintenance according to the Integrated Management System program, the control of these quantities is monitored through daily operational reports.

Afterwards, the process stops being continuous to go through a process of desorption, monitoring the gold that is deposited, in this phase the Group manages a recovery ratio of 98.38 percent, the remaining gold remains in the carbon which is recirculated to the process through a chemical and thermal regeneration leaving it ready to return to the circuit.

The processes and the recovery ratio are constantly monitored, and the estimated recovery rates are adjusted periodically as additional information becomes available and considering technological changes.

(i) Obsolescence of materials and supplies -
The allowance for obsolescence of materials and supplies is determined based on an analysis carried out annually by the Group Management, which considers the obsolete and slow-moving items, and is charged to the consolidated statement of profit or loss in the year in which it is determined the need for such allowance.

(j) Recovery of the Value added tax -
The Group Management considers that the tax credit for non-current value added tax will be applied when offsetting it with the value added tax payable that will be generated by future sales made by its subsidiary Compañía Minera Barbastro S.A.C. In the case of the subsidiary Marcobre S.A.C., if there is a credit balance of the value added tax, its refund or compensation will be requested under the balance in favor of the exporter regime on the basis of export sales. In the case of Marcobre S.A.C., this subsidiary is carrying out development activities, so this balance will be recovered will recover in the short term through the Early Recovery System of the VAT and the balance in the long term once it

starts its production operations. On an annual basis, the Group's management evaluates the feasibility of the development of the project that is being carried out and that the possibility of recovering this tax credit is considered probable. Otherwise, an impairment will be recorded.

4. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective:

Amendments to IFRS 9: "Advance payment characteristics with negative compensation"
Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are "only payments of the principal and interest on the amount pending payment" (the test of the SPPI) and the instrument remains within the appropriate business model for this classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI test independently of the event or circumstance that causes the early termination of the contract and regardless of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments must be applied retrospectively and are effective as of January 1, 2019, early adoption is permitted. The Group does not expect material effects in its consolidated financial statements.

Amendments to IFRS 10 and IAS 28 - "Sales or contributions of assets between an investor and its associate or joint venture"
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss arising from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, must be recognized in its entirety. However, any gain or loss resulting from the alienation or contribution of assets that do not constitute a business will be recognized only to the extent of the interests of investors not related to the associate or the joint venture. The IASB has postponed the date of application of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these modifications when they come into force.

Amendments to IAS 28: "Long-term interests in associates and joint ventures"
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method does not apply, but which, in essence, forms part of the net investment in the associate or business set (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interest.

The amendments also clarified that, when applying IFRS 9, an entity does not take into account any loss of the associate or joint venture, nor any impairment loss on the net investment, recognized as adjustments to the net investment in the associate or joint venture arising from the application of IAS 28 Investments in associates and joint ventures.

The amendments to IAS 28 must be applied retrospectively and are effective as of January 1, 2019, early adoption is permitted. Given that the Group has no long-term interests in its associate or joint venture, Management considers that the modifications will not have an impact on its consolidated financial statements.

Annual improvements to IFRS - Cycle 2015-2017 (issued in December 2017)
The modifications include:

- IFRS 3 "Business combinations"
  The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including the re-measurement of interests previously held in the assets and liabilities of the joint operation its early adoption is permitted at fair value. In doing so, the acquirer remeasures the integrity of its previous participation in the joint operation.

  The modification is effective as of January 1, 2019, its early adoption is permitted. The Group Management considers that these modifications will be applied to future business combinations that the Group may carry out.

- IAS 12 Income Taxes
  The amendments clarify that the consequences of the dividends in the income tax are directly linked to past transactions or events that generated distributable profits that to distributions to the owners. Therefore, an entity recognizes the consequences of income tax on dividends in results, other comprehensive income or equity according to the caption where the entity originally recognized those transactions or past events.

  The amendment is effective as of January 1, 2019 its early adoption is permitted. When an entity applies these amendments for the first time, it applies them to the consequences of the income tax on the dividends recognized on or after the beginning of the first comparative period. The Group Management does not expect any effect on its consolidated financial statements.

- IFRIC 23, "Uncertainty about the Treatment of Income Taxes"
  Effective as of January 1, 2019, this standard establishes how to determine the accounting tax position when there is uncertainty about the treatment of income taxes that affects the application of IAS 12. Management is currently evaluating the impact of this rule on its financial reports and disclosures.

- IAS 23 Financing costs
  The amendments clarify that an entity consider as a part of the generic loans any loan originally made to develop a qualified asset when it has substantially completed all the activities necessary to prepare that asset for its intended use or sale.

  An entity applies those modifications to financing costs incurred on or after the beginning of the annual reporting period in which the entity applies those modifications. An entity applies those modifications for annual reporting periods beginning on or after January 1, 2019, and early adoption is permitted. Due to the fact that the Group's current practices are aligned with these modifications, the Group does not expect any effect on its consolidated financial statements.

5. Transactions in foreign currency

As of December 31, 2018 and 2017, the Group had assets and liabilities in soles, brazilian reales and euros. Below is a breakdown of these assets and liabilities presented by their equivalent in U.S. dollars:

	2018	**2017**
	US$(000)	US$(000) Restated
Assets		
Cash and cash equivalents	56,647	1,240
Trade and other receivables, net (including non-current portion)	89,516	77,025
Income tax prepayments	17,357	345
	163,520	78,610
Liabilities		
Financial obligation (including non-current portion)	(125,129)	(4,044)
Trade and other payables (including non-current portion)	(64,019)	(92,787)
Income tax liabilities	-	(4,354)
	(189,148)	(101,185)
Net liabilities position	(25,628)	(22,575)

As of December 31, 2018 and 2017, the Group had no financial instruments to hedge its foreign currency risk.

The net loss on exchange difference originated by assets and liabilities in foreign currency was approximately US$23,701,000 during the year 2018 (net loss of US$3,542,000 during 2017), which is presented in the caption "Exchange difference, net" of the consolidated statement of profits or loss.

6. Cash and cash equivalents

(a) The composition of this caption is presented below:

	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Cash on hand and petty cash	14	10	15
Bank current accounts (b)	79,535	34,381	17,913
Overnight deposits (c)	115,863	101,377	63,819
Time deposits (d)	55,738	103,818	189,822
Certificates of bank deposits (e)	767	895	788
Balance considered in the consolidated statements of cash flow	251,917	240,481	272,357
Time deposits with original maturities greater than 90 days (f)	309,678	160,444	111,159
	561,595	400,925	383,516

(b) As of December 31, 2018, 2017 and January 1, 2017, the Group maintains its cash demand deposits in local and foreign banks of first level and are freely available and generate interest at market rates.

(c) Overnight deposits are one day deposits in a foreign bank, which earn effective market rates.

(d) Time deposits have original maturities of less than 90 days and can be renewed at maturity. As of December 31, 2018, 2017 and January 1, 2017, these deposits earned interest at market interest rates, and were settled in January 2019, 2018 and 2017, respectively.

(e) As of December 31, 2018, they correspond to bank deposit certificates-CDB's maintained by Mineração Taboca S.A. for R$2,976,000 (equivalent to US$767,000) that accrue interest at a rate of 50 percent CDI and have an original maturity of less than 90 days, (R$2,965,000, equivalent to US$895,000, as of December 31, 2017 and R$2,565,000, equivalent to US$788,000, as of January 1, 2017).

(f) Term deposits with original maturity greater than 90 days are presented under "Other financial assets" of the consolidated statement of financial position.

7. Trade and other receivables, net

(a) The composition of this caption is presented below:

	2018	2017	1.01.2017
	US$(000)	US$(000)	US$(000)
		Restated	Restated
Trade:			
Invoices receivable	70,957	72,401	73,872
Changes in the fair value	(110)	(757)	(1,512)
	70,847	71,644	72,360
Other receivables:			
Value added tax credit and other tax credits (c)	109,561	74,768	56,400
Judicial deposits (d)	6,613	7,187	6,863
Credits in favor for works for taxes	4,975	1,469	747
Premium for purchase of options, note 36(b)	3,964	-	-
Invoices receivable for the sale of other supplies and fixed assets	3,741	1,176	1,331
Advances to suppliers	2,667	2,663	7,153
Related parties, note 31(a)	1,633	3,268	304
Loans to employees	851	346	425
Restricted funds	83	395	1,292
Others	2,549	3,695	5,424
	136,637	94,967	79,939
Total	207,484	166,611	152,299
By maturity:			
Current	110,654	103,909	98,635
Non-Current	96,830	62,702	53,664
Total	207,484	166,611	152,299
By nature:			
Financial asset	92,948	90,374	95,152
Non-financial asset	114,536	76,237	57,147
Total	207,484	166,611	152,299
Measurement classification			
Trade receivable (No subject to provisional pricing)	44,380	52,836	46,172
Trade receivable (Subject to provisional pricing)	26,467	18,808	26,188
Other receivable	136,637	94,967	79,939
Total	207,484	166,611	152,299

(b) As of December 31, 2018, 2017 and January 1, 2017, trade accounts receivable do not bear interest and do not have specific guarantees. In the estimation process of expected credit losses, Management evaluates credit risk and individual credit limits. The evaluation is performed at each reporting date using an estimation matrix to measure the expected credit losses.

(c) As of December 31, 2018, 2017 and January 1, 2017 this caption mainly corresponds to the credit for the value added tax (hereinafter "VAT") that results from purchases of goods and services resulting from the activities of exploration and development carried out by the subsidiaries in Peru and Brazil (Compañía Minera Barbastro S.A.C., Marcobre S.A.C. and Mineração Taboca S.A-) that will be offset with the VAT payable that will be generated when the subsidiaries begin their operations.

In the case of the subsidiary Marcobre S.A.C., it obtained a refund of the value added tax of US$4,075,000 through the Early Recovery System of the VAT, therefore Marcobre expects to continue recovering that credit through this Regime. If there is a remaining credit balance of VAT, its refund or offset will be requested under the regime of Exporter's value added tax ("SFMB" for its acronym in Spanish) based on export sales.

In addition to December 31, 2018, the subsidiary Sillustani, as a result of the assessment of the recoverability of the VAT credit, proceeded to write-off the amount of US$4,704,000 (equivalent to S/15,865,000) expensed in consolidated statement of profit or loss, see note 28.

In the opinion of Management, this loan will be recovered in the short term (through the Early Recovery System of the VAT) and in the long term, when the other subsidiaries begin their production operations, see note 3.2(j).

(d) As of December 31, 2018, 2017 and January 1, 2017, it corresponds to the judicial deposits held by the subsidiary Mineração Taboca S.A. corresponding to processes that when liquidated through the financing of debts to the tax administration of Brazil (REFIS) and when its expects the development of the review initiated in 2014 by the Federal Revenue Secretariat of Brazil and the Attorney General's Office and the National Treasury of Brazil, to request the release and consequent lifting of the amounts deposited.

8. Inventory, net

(a) The composition of this caption is presented below:

	2018	2017	1.01.2017
	US$(000)	US$(000)	US$(000)
		Restated	Restated
Finished products	32,600	22,409	18,898
Work in progress (b)	40,566	38,316	45,435
Materials and supplies	43,128	47,239	40,731
Mineral extracted	1,786	3,829	449
Inventory in transit	3,733	3,649	977
	121,813	115,442	106,490
Impairment loss of inventories (c)	(1,620)	(243)	(2,020)
Allowance for obsolescence (d)	(4,017)	(5,121)	(4,255)
	116,176	110,078	100,215

(b) As of December 31, 2018 and 2017 the products in process was made up as follows:

	2018	2017	1.01.2017
	US$(000)	US$(000)	US$(000)
		Restated	Restated
Products in tin process - Taboca			
Sintering	8,026	10,107	9,962
Tin concentrate floating	954	487	3,088
Gravimetric tin concentrate	255	479	1,271
Others	2,437	2,253	3,190
	11,672	13,326	17,511
Products in tin process - Minsur			
Gravimetric tin concentrate	2,127	1,666	2,584
Dross	1,954	1,293	992
Bag House Powder	1,778	1,288	783
Tin concentrate floating	1,348	932	1,010
Metal in process	1,127	2,393	2,327
Metal MH iron	283	669	606
Others	1,252	516	445
	9,869	8,757	8,747
Products in gold process			
Leaching PAD – armed cell	6,332	4,035	4,389
Dore bar	3,971	3,282	6
Adsorption tanks	1,995	1,654	1,144
Refined in process	1,880	830	141
Broken mineral in charge	1,644	3,014	3,712
Electrolytic cells	-	-	4,496
Others	262	372	56
	16,084	13,187	13,944
Products in process of Fe, Nb and Ta			
Metallurgy	2,783	2,663	4,766
Floating of niobates	158	383	227
Mistos plant	-	-	240
	2,941	3,046	5,233
	40,566	38,316	45,435

The products in process (tin, gold, iron, niobio and tantalum) present the following characteristics:

i. *Tin -*

Operations in Peru:

The crude tin produced in the foundry contains impurities such as iron, copper, arsenic, antimony, lead, bismuth and indium. These impurities are removed sequentially, through a pyro-metallurgical process, in cast iron pots of 50 tons capacity, taking advantage of their different physicochemical properties, until obtaining refined tin with 99.94 percent of purity and a maximum of 0.02 percent of lead, which is then molded into ingots and other presentations.

Operations in Brazil:

Conformed by cassiterite and columbite that will later be concentrated using systems of jigs, spirals, tables, electrostatic separators, also by the concentrate of gravimetric tin and by flotation, which contain tin extracted from the inside mine. These materials are available to follow the following processes of tin recovery, which basically consist of the smelting and refining process.

ii. *Gold -*

Corresponds to the mineral placed on the leach deposits, which contain the ore that has been extracted from the pit and that are available to follow the gold recovery processes. In the deposits of leached mineral the recovery is carried out through its exposure to the solution of sodium cyanide that dissolves the gold and whose solution is sent to the plant of the extraction process.

iii. Iron, Niobium and Tantalum -

The alloy of Iron Niobium and Tantalum (FeNbTa) is a metallic alloy of Niobium and Tantalum combined in a matrix of Ferro-Oxygen-Silicon, resulting from the melting of the minerals of columbite and pyrochlore, extracted from the Pitinga Mine.

(c) The estimation for impairment loss of finished products and products in process had the following movement during the years 2018 and 2017:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	243	2,020
Allowance for impairment of tin metal, note 28	1,044	-
Estimation (recovery) of the period, note 24	393	(1,808)
Translation difference	(60)	31
Ending balance	1,620	243

The estimate of the year corresponds to the reversal of the impairment loss of finished and in process products of the Company.

(d) The allowance for obsolescence of materials and supplies had the following movement during the years 2018 and 2017:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	5,121	4,255
Allowance of the period, note 24	173	893
Destruction of obsolete goods from previous years	(1,055)	-
Translation difference	(222)	(27)
Ending balance	4,017	5,121

In the opinion of management of the Group, the allowance for obsolescence of inventories adequately covers such risk at the date of the consolidated statement of financial position.

9. Financial assets at fair value throught OCI

(a) As of December 31, 2018 and December 31, 2017, the Group holds an investment in BBVA shares in Spain for US$4,900,000 and US$7,792,000, respectively. BBVA de España is an entity of recognized prestige in the international market and therefore has a very low level of risk.

Also, as of December 31, 2018 and December 31, 2017, the Group has an investment in shares of Rímac Seguros and Reaseguros for US$20,516,000 and US$29,325,000, respectively. Rímac Seguros y Reaseguros is an entity of recognized prestige in the national market, which is part of the Breca Group, and has a very low level of risk.

As of December 31, 2018 and December 31, 2017, the fair value of this investment classified as a financial asset at fair value with changes through other comprehensive income has been determined on the basis of its price on the Madrid and Lima Stock Exchange, respectively.

(b) The fair value of the certificates of deposit without public quotation and commercial papers were estimated based on discounted cash flows using available market rates for debt instruments with similar conditions, maturity and credit risk.

(c) The available-for-sale financial investments include the following:

	2018						
	Cost US$(000)	Acquisition US$(000)	Unrealized results US$(000)	Past due interest US$(000)	Shares' performance US$(000)	Sale of the investment US$(000)	Fair Value US$(000)
Commercial papers	-	58,778	(48)	838	-	-	59,568
Certificates of deposit without public quotation	-	40,000	-	594	-	-	40,594
Rímac Seguros y Reaseguros	21,070	-	(554)	-	-	-	20,516
BBVA Spain	14,845	-	(10,448)	-	503	-	4,900
Government Investment certificates	2,935	-	-	-	-	(2,935)	-
Total	38,850	98,778	(11,050)	1,432	503	(2,935)	125,578

	2017 (Restated)						
	Cost US$(000)	Transfer and acquisition US$(000)	Unrealized results US$(000)	Past due interest US$(000)	Shares' performance US$(000)	Sale of the investment US$(000)	Fair Value US$(000)
Rimac Seguros y Reaseguros	-	21,070	8,255	-	-	-	29,325
BBVA Spain	14,845	-	(7,556)	-	503	-	7,792
Government Investment certificates	-	2,935	-	-	-	-	2,935
Certificates of deposit without public quotation	35,000	-	-	2,557	-	(37,557)	-
Total	49,845	24,005	699	2,557	503	(37,557)	40,052

	As of January 1, 2017 (Restated)					
	Cost US$(000)	Unrealized results US$(000)	Past due interest US$(000)	Performance of actions US$(000)	Sale of the investment US$(000)	Fair Value US$(000)
BBVA Spain	14,845	(8,791)	-	18	-	6,072
Certificates of deposit without public quotation	65,000	42	3,104	-	(31,256)	36,890
Total	79,845	(8,749)	3,104	18	(31,256)	42,962

(d) As of December 31, 2018, the Group received dividends in cash from BBVA of Spain and Rimac for US$280,000 and US$135,000, respectively (US$177,000 in dividends in cash as of December 31, 2017), which were charged to the results of the period.

(e) As of December 31, 2018, the Group has not received dividends in shares (US$138,000 in dividends in shares as of December 31, 2017).

As of December 31, 2017, the Group had Government investment certificates for US$2,935,000, which are negotiable instruments issued by the Peruvian State according to the mechanism of works for taxes, these were endorsed to its related company Compañía Minera Raura S.A. during the year 2018.

(f) The movement of available-for-sale financial investments is presented below:

	2018 US$(000)	2017 US$(000) (Restated)
Opening balance	40,052	42,962
New investments	98,778	2,935
Earned interest of deposit certificates, note 29	1,432	709
Unrealized results, note 21(h)	(11,749)	9,933
Liquidations of deposit certificates	(2,935)	(37,557)
Transfers	-	21,070
Ending balance	125,578	40,052

(g) The classification by maturity is presented below:

	2018 US$(000)	2017 US$(000) (Restated)	1.01.2017 US$(000) (Restated)
Maturity classification:			
Current portion	120,678	40,052	42,962
Non-Current portion	4,900	-	-
Total	125,578	40,052	42,962

10. Financial assets at fair value through profit or loss

Below is the composition of the caption:

	As of December 31, 2018				
	Beginning balance US$(000)	Acquisition US$(000)	Changes in fair value US$(000)	Liquidation of the investment US$(000)	Reasonable Value US$(000)
Mutual funds with public price (Muzinich)	-	81,600	218	(81,818)	-
Mutual funds of public quotation (Black Rock)	131,713	-	271	(131,984)	-
Total	131,713	81,600	489	(213,802)	-

	As of December 31, 2017 (Restated)		
	Beginning balance US$(000)	Cambios en el valor razonable US$(000)	Fair value US$(000)
Mutual funds with public price (Black Rock)	128,810	2,903	131,713

	January 1, 2017 (Restated)		
	Beginning balance US$(000)	Changes in fair value US$(000)	Fair value US$(000)
Mutual funds with public price (Black Rock)	125,998	2,812	128,810

The fair value of mutual funds is determined based on public price quotes in an active market.

11. Prepaid expenses and taxes

As of December 31, the item is comprised of US$27,905,000 for the financing structuring costs paid in advance by the subsidiary Marcobre, see note 18(e) and (f), the remaining balance corresponds to insurance and taxes paid in advance. As of December 31, 2017 and January 1, 2017 corresponds to insurance paid in advance.

12. Investments in associates

(a) This caption is made up as follows:

	Interest in equity			Equity value		
	2018	2017	1.01.2017	2018	2017	1.01.2017
	%	%	%	US$(000)	US$(000) Restated	US$(000) Restated
Inversiones Cordillera del Sur Ltda. subsidiaries (c)	73.94	73.94	73.94	275,713	286,304	264,342
Explosivos S.A. (c)	10.95	10.95	10.95	11,427	12,610	12,182
Futura Consorcio Inmobiliario S.A. (c)	4.96	4.96	4.96	5,306	5,203	5,113
Rímac Seguros y Reaseguros (c)	-	-	14.51	-	-	61,015
Servicios Aeronáuticos Unidos S.A.C. (c)	-	-	47.5	-	-	2,871
				292,446	304,117	345,523

The Group has recognized its investments in Explosivos S.A. and Futura Consorcio Inmobiliario S.A., as investments in associates, considering that are managed by the same economic group.

(b) The net share of the profits (losses) of its associated companies is as follows:

	2018	2017
	US$(000)	US$(000) Restated
Inversiones Cordillera del Sur Ltda. and subsidiaries (c)	12,665	11,317
Futura Consorcio Inmobiliario S.A. (c)	320	(93)
Explosivos S.A. (c)	(1,050)	410
Rímac Seguros y Reaseguros (c)	-	2,464
Servicios Aeronáuticos Unidos S.A.C. (c)	-	(286)
	11,935	13,812

(c) The movement of investments in associates and relevant information is presented as follows:

Inversiones Cordillera del Sur Ltda. and subsidiaries

It is associated (see 3.1(e)) Its main objective is to maintain investments in Melon and subsidiaries. The social objective of Melón S.A. is the production, commercialization and supply of cement, ready-mix concrete, mortar and pre-dosed aggregates to distributors of construction materials, to construction companies related to the real estate, civil and mining sectors and to concrete companies in Chile.

The table below shows the movement in the investment in Inversiones Cordillera del Sur Ltda. and subsidiaries:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	286,304	264,342
Plus (minus):		
Translation	(20,789)	10,718
Net profit share	12,665	11,317
Unrealized losses	(2,464)	332
Others	(3)	(405)
Ending balance	275,713	286,304

Explosivos S.A.

It is a Peruvian limited company incorporated on February 25, 1954, its main shareholder until October 31, 2017, was Inversiones Breca S.A. who owned 80.80 percent of the shares representing the capital stock. In September 2017, Inversiones Breca S.A. decided to make a corporate reorganization and its participation in the capital of its subsidiary companies, was divided into different business segments, creating holdings for the direct control of said segments. As a result of this distribution, the associate is part of the industrial segment and is under control of the Breca Soluciones de Voladura S.A.C. since November 1, 2017. Based on this, the associate belongs to the Breca Group.

The table below shows the movement in the investment in Explosivos S.A.:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	12,610	12,182
Plus (minus):		
Net profit loss share	(1,050)	410
Translation	(133)	18
Ending balance	11,427	12,610

Futura Consorcio Inmobiliario S.A.C.
The purpose of this associate located in Peru, comprise the real estate business mainly to its related companies.

The table below shows the movement in the investment in Futura Consorcio Inmobiliario S.A.C.:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	5,203	5,113
Plus (minus):		
Net profit (loss) share	320	(93)
Traslation	(215)	181
Unrealized losses	(3)	-
Other	1	2
Ending balance	5,306	5,203

Rímac Seguros y Reaseguros (hereinafter "Rimac")
The main economic activity of this associate (located in Peru) includes the contracting and administration of insurance and reinsurance general operations and life insurances, as well as financial investments, real estate and related activities.

On September 26, 2017, the Group sold through stock exchange to Inversiones Breca S.A. the amount of 119,700,000 shares in Rímac Seguros and Reaseguros, at their fair value, amounting to US$61,139,000. The total profit generated by the sale of this investment was US$21,254,000. As of December 31, 2017, the Group holds 63,020,532 shares of Rímac Seguros y Reaseguros.

After the sale of part of the shares of Rímac, the Group reassess the classification of its investment in Rímac and decided to reclassify it to the caption "Financial assets at fair value through OCI".

The table below shows the movement in the investment in Rímac Seguros y Reaseguros:

	2017 US$(000) Restated
Opening balance	61,015
Plus (minus):	
Sale of loss shares	(40,020)
Transfer	(21,070)
Dividends	(2,389)
Net profit share	2,464
Ending balance	-

Servicios Aeronáuticos Unidos S.A.C. (hereinafter "SAUSAC")
The purpose of this associate located in Peru, is to provide air transportation services of passengers, cargo and mail, prospection, maintenance of airplanes and selling of supplies for the civil aviation.

On October 20, 2017, SAUSAC's Shareholders' Meeting approved the liquidation of SAUSAC. As a result, its equity was distributed among its investors, which was carried out based on the percentage of participation held by each investor at that date, based on that, the Group received a total of US$2,575,000 in cash.

The table below shows the movement in the investment in Servicios Aeronáuticos Unidos S.A.C.:

	2017 US$(000) Restated
Opening balance	2,871
Plus (minus)	
Net loss share	(286)
Other results	(10)
Disposal of investments	(2,575)
Ending balance	-

13. Property, plant and equipment, net

(a) The composition and movement of this caption is presented below:

	As of January 1, 2018 US$(000)	Additions US$(000)	Disposals (d) US$(000)	Transfers and adjusment (e) US$(000)	Translation US$(000)	As of December 31, 2018 US$(000)
Cost						
Lands	23,236	1	-	-	(194)	23,043
Buildings and installations	494,174	1,489	(10,274)	80,663	(19,088)	546,964
Machinery and equipment	394,278	1,554	(8,419)	50,913	(20,449)	417,877
Furniture, fixtures, computer equipments, communication and security equipments	13,083	189	6,638	(6,299)	(687)	12,924
Vehicles	12,415	187	(545)	(105)	(1,251)	10,701
Work in progress (c)	153,815	388,671	(30)	(146,303)	(8,944)	387,209
Mine closure costs	97,692	14,557	(20,703)	-	(4,237)	87,309
	1,188,693	406,648	(33,333)	(21,131)	(54,850)	1,486,027
Accumulated depreciation						
Buildings and installations	248,907	40,628	(2,241)	(2,239)	(4,005)	281,050
Machinery and equipment	286,370	26,098	(6,890)	(4,413)	(13,272)	287,893
Furniture, fixtures, computer equipments, communication and security equipments	9,506	1,108	(141)	(55)	(495)	9,923
Vehicles	8,815	897	(441)	(1,044)	(833)	7,394
Mine closure costs	44,673	8,277	(10,214)	-	(393)	42,343
	598,271	77,008	(19,927)	(7,751)	(18,998)	628,603
Impairment loss of Property, plant and equipment, (f)	(81,360)			13,380	11,056	(56,924)
Net Cost	509,062			-		800,500

	As of January 1, 2017 US$(000) Restated	Additions US$(000)	Disposals (d) US$(000)	Transfers and adjusment (e) US$(000)	Translation US$(000)	As of December 31, 2017 US$(000) Restated
Cost						
Lands	21,825	1,435	-	-	(24)	23,236
Buildings and installations	458,691	20	(3,223)	41,178	(2,492)	494,174
Machinery and equipment	368,115	5,355	(3,967)	27,475	(2,700)	394,278
Furniture, fixtures, computer equipments, communication and security equipments	12,034	27	(66)	1,186	(98)	13,083
Vehicles	12,502	36	(833)	866	(156)	12,415
Work in progress (c)	113,325	126,091	(1,139)	(83,264)	(1,198)	153,815
Mine closure costs	81,388	16,695	-	-	(391)	97,692
	1,067,880	149,659	(9,228)	(12,559)	(7,059)	1,188,693
Accumulated depreciation						
Buildings and installations	220,917	29,537	(1,227)	192	(512)	248,907
Machinery and equipment	264,983	25,025	(1,950)	56	(1,744)	286,370
Furniture, fixtures, computer equipments, communication and security equipments	8,533	1,021	(20)	31	(59)	9,506
Vehicles	8,717	984	(790)	6	(102)	8,815
Mine closure costs	38,754	5,873	-	-	46	44,673
	541,904	62,440	(3,987)	285	(2,371)	598,271
Impairment loss of Property, plant and equipment (f)	-		(81,360)			(81,360)
Net cost	525,976					509,062

(b) The depreciation expense has been distributed in the consolidated statements of profit or loss as follows:

	2018 US$(000)	2017 US$(000) Restated
Cost of sales, note 24	71,749	58,222
Exploration and evaluation expenses, note 27	2,578	1,939
Development cost, note 14	1,638	285
Administrative expenses, note 25	744	729
Other expenses, note 28	287	1,262
Selling expenses, note 26	12	3
	77,008	62,440

(c) As of December 31, 2018 and 2017, the balance of work in progress includes mainly the following items:

	2018 US$(000)	2017 US$(000) Restated
Engineering and construction management of Mina Justa Project - Marcobre	263,437	26,622
Project B2 (level 4480 and 4475) - Minsur	77,675	14,991
Water Plant "Rio Azufre" - Minsur	4,984	-
Increase of tailings dam B3 - Minsur	3,714	18,684
Ventilation System "Cyndhi 39502 - Minsur	3,074	-
Dikes A and C reinforcement - Taboca	2,764	2,420
Increase capacity and recovery - Phase 2B studies - Taboca	2,506	2,936
Tailings deposits – Taboca	2,173	18,844
Leaching pad - new line barren – Minsur	1,434	3,513
Oven N ° 11 and N ° 12 - Taboca	1,143	14,786
Filter Press - Minsur	738	-
Pitinga Project - Taboca	431	1,578
Assets in transit	295	154
Belo monte equipment - Taboca	210	1,950
Expansion flotation Nb / Ta - Taboca	-	13,540
Recovery of hydroelectric plant - Taboca	-	7,887
Pre-concentration plant - Minsur	-	2,272
Plant expansion for 800TPH - Taboca	-	1,156
Other minors	22,631	22,482
	387,209	153,815

(d) As of December 31, 2018, mainly correspond to the disposal of different components of the machinery and equipment items due to the replacement of components and the write-off of missing assets of the Company and from the subsidiary Taboca, as well as the mine closure update of the Pisco refining plant. As of December 31, 2017, it mainly corresponded to the disposals due to the fire of the assets belonging to the ore sorting - San Rafael and to the disposal due to the sale of the assets belonging to the interconnection system of the electric power transmission line (high voltage) Azángaro - San Rafael.

(e) As of December 31, 2018, mainly corresponds to the distribution of the impairment loss recorded in the previous period allocating to each line of the caption. During year 2017, it mainly corresponds to the review of the works in progress closure culminated during that year in Mineração Taboca related to the projects Oven N ° 11 and 12 and the expansion of the processing plant by flotation of niobium and tantalum.

Management has assessed the recoverable value of its property, plant and equipment of the Group and has not identified an additional impairment loss of value for these assets as of December 31, 2018. During year 2017, the Group determined an impairment loss for the assets of the Taboca mining unit, see note 16.

14. Intangible assets, net

(a) The following is the composition and movement of this caption:

	As of January 1, 2018 US$(000)	Additions US$(000)	Disposals US$(000)	Transfers US$(000)	Translation US$(000)	As of December 31, 2018 US$(000)
Cost:						
Definite useful life						
Mining concessions and mining rights	412,581	201	(2,557)	-	(12,757)	397,468
Mine development costs	90,699	29,530	-	-	-	120,229
Connection and easement rights	6,031	-	-	86	-	6,117
Usufruct of lands	4,866	602	(1,645)	(86)	(51)	3,686
Remediation asset	1,133	-	-	-	-	1,133
Licenses	1,048	955	-	-	(92)	1,911
	516,358	31,288	(4,202)	-	(12,900)	530,544
Accumulated amortization:						
Mining concessions and mining rights	18,216	2,618	-	-	(2,479)	18,355
Mine development costs	20,181	5,556	-	-	-	25,737
Connection and easement rights	1,990	374	-	42	-	2,406
Usufruct of lands	1,960	374	(568)	(42)	(18)	1,706
Remediation asset	1,133	117	-	-	-	1,250
Licenses	532	181	-	-	(65)	648
	44,012	9,220	(568)	-	(2,562)	50,102
Net cost	472,346					480,442

	As of January 1, 2017 US$(000) Restated	Additions US$(000)	Adjustments and transfers US$(000)	Impairment, note 16 US$(000)	Reversal of impairment loss, note 16 US$(000)	Translation US$(000)	As of December 31, 2018 US$(000) Restated
Cost:							
Indefinite useful life							
Goodwill of Mineração Taboca S.A.	43,868	-	(1,209)	(41,835)	-	(824)	-
	43,868	-	(1,209)	(41,835)	-	(824)	-
Definite useful life							
Mining concessions and mining rights	315,290	3,000	(250)	(25,318)	121,645	(1,786)	412,581
Mine development costs	55,993	34,705	1	-	-	-	90,699
Connection and easement rights	5,946	-	85	-	-	-	6,031
Usufruct of lands	4,062	807	(87)	-	-	84	4,866
Remediation asset	1,132	1	-	-	-	-	1,133
Licenses	673	275	144	(42)	-	(2)	1,048
	383,096	38,788	(107)	(25,360)	121,645	(1,704)	516,358
	426,964	38,788	(1,316)	(67,195)	121,645	(2,528)	516,358
Accumulated amortization:							
Mining concessions and mining rights	14,561	3,861	-	-	-	(206)	18,216
Mine development costs	14,734	5,447	-	-	-	-	20,181
Connection and easement rights	1,581	367	42	-	-	-	1,990
Usufruct of lands	1,658	321	(42)	-	-	23	1,960
Remediation asset	848	285	-	-	-	-	1,133
Licenses	482	60	-	-	-	(10)	532
	33,864	10,341	-	-	-	(193)	44,012
Net Cost	393,100						472,346

(b) The amortization expense has been distributed in the consolidated statements of profit or loss as follows:

	2018 US$(000)	2017 US$(000) Restated
Cost of sales, note 24	8,819	9,764
Exploration and evaluations expenses, note 27	237	553
Mine develpment	164	-
Administrative expenses, note 25	-	11
Others net, note 28	-	13
	9,220	10,341

(c) As of December 31, 2018 and 2017, the additions of the development cost mainly comprise the following concepts:

	2018 US$(000)	2017 US$(000) Restated
Mine development	14,543	-
Project management service	6,365	13,901
Project B2	2,237	6,892
Feasibility study - mining, processes and port studies	443	5,815
Large cavity filling	311	2,063
Other minors	5,631	6,034
	29,530	34,705

(d) As of December 31, 2018, mining concessions and mining rights are mainly related to the Mineração Taboca S.A. concession and Mina Justa.

15. Right-of-use assets, net

(a) The following is the composition and movement of this caption:

	As of January 1, 2018 US$(000)	Additions US$(000)	Disposals (c) US$(000)	Translation US$(000)	As of December 31, 2018 US$(000)
Cost					
Land and buildings	6,306	1,790	(902)	(33)	7,161
Machinery and equipment	44,185	23,339	(22,623)	(4,670)	40,231
Vehicles	7,431	1,894	(6,779)	-	2,546
Furniture	30	85	(30)	-	85
	57,952	27,108	(30,334)	(4,703)	50,023
Accumulated depreciation					
Land and buildings	1,764	1,402	(902)	(23)	2,241
Machinery and equipment	25,580	14,163	(22,623)	(2,135)	14,985
Vehicles	5,612	2,304	(6,779)	-	1,137
Furniture	21	22	(30)	-	13
	32,977	17,891	(30,334)	(2,158)	18,376
Net cost	24,975				31,647

	As of January 1, 2017 US$(000) Restated	Additions US$(000)	Disposals (c) US$(000)	Traslation US$(000)	As of December 31, 2017 US$(000) Restated
Cost					
Land and buildings	6,253	56	-	(3)	6,306
Machinery and equipment	32,235	16,135	(3,420)	(765)	44,185
Vehicles	7,057	842	(468)	-	7,431
Furniture	30	-	-	-	30
	45,575	17,033	(3,888)	(768)	57,952
Accumulated depreciation					
Land and buildings	1,000	767	-	(3)	1,764
Machinery and equipment	15,686	13,670	(3,420)	(356)	25,580
Vehicles	4,060	2,020	(468)	-	5,612
Furniture	13	8	-	-	21
	20,759	16,465	(3,888)	(359)	32,977
Net cost	24,816				24,975

(b) The depreciation expenses has been distribuited in the consolidateed statements of profits or loss as follows:

	2018 US$(000)	2017 US$(000) Restated
Cost of sales, note 24	15,303	15,288
Development cost	2,040	587
Administrative expenses, note 25	540	540
Exploration and evaluation expenses, note 27	8	50
	17,891	16,465

(c) Certain lease agreements ended during the year, which are presented as decreases in the movement of right-of-use assets.

16. Evaluation of impairment of goodwill and other long-lived assets

According to the policies and procedures of the Group, each asset or cash-generating unit (CGU) is evaluated annually at the end of the period, to determine if there is evidence of impairment; except, when evaluating intangible assets of indefinite useful life such as goodwill recorded as part of business acquisitions. If there are such indications of impairment, a formal estimate of recoverable amount is performed.

As of December 31, 2018, the Group concluded that there are no impairment indicators for its San Rafael (tin) and Pucamarca (gold mine) units and, therefore, did not make a formal estimate of the recoverable amount.

As of December 31, 2017, the Group recognized the reversal of a portion of the impairment loss on the assets of the Mina Justa mining unit registered in previous years for US$121,395,000 in the consolidated statement of income.

On the other hand, in 2017 considering that there was a goodwill related to the mining unit Taboca, the Company made the calculation of the recoverable value recognizing an impairment loss of US$148,555,000, the deterioration analysis of said mining unit is presented below Taboca:

(i) Taboca mining unit -

As of December 31, 2018, the net carrying amount of the mining unit of Pitinga and the smelting plant of Pirapora was US$218,246,000. This book value includes: concessions, plant, equipment and related facilities and goodwill. As a result of the evaluation of the capacity to generate future cash flows of Pitinga and Pirapora, the Group's Management considers no necessary to record an impairment loss of value in this cash-generating unit. That conclusion is based on the assumptions detailed below, which could be modified to the extent that the assumptions used differ materially from future market conditions.

Key assumptions

Calculation of recoverable value for the mining unit of Pitinga and the smelting plant of Pirapora is most sensitive to the following assumptions:

- Production volumes –

  The tin production volumes are based on studies of resources prepared by internal specialists of the Group and reviewed by independent experts. Production volumes depend on a number of variables, such as recoverable quantities; the production plan; the cost of developing the necessary infrastructure to extract reserves; production costs; the contractual duration of mining rights; and the selling price of the minerals extracted.

These estimates take into account the estimated production plan for the following years. According to these resources, the tin unit has a production horizon of 31 years as of December 31, 2018.

- Discount rate –
  The future cash flows were adjusted considering the risk specific to the assets and were discounted at an annual pre-tax rate of 10 percent.

- Prices -
  The subsidiary has used estimates of future quotes of metals obtained from international investment banks. The estimated prices of tin for the current and non-current periods that have been used to estimate future revenues are US$18,500 in 2019, US$19,348 in 2020, US$19,671 in 2021, US$19,401 in 2022 and up per metric ton (MT), these prices are expressed in constant dollars.

- Operating expenses –
  Management has projected operating costs by reference to the cost structure of the last years of the Group, changes and efficiencies achieved during the year in production, and their own knowledge of the mining industry.

- Useful life –
  Management estimates the useful life considered in its projection is consistent with the economic life of the cash-generating unit.

During the year 2018, the Group determined that there is no impairment loss additional to that recorded in 2017.

Sensitivity analysis
In relation to the mining unit of Pitinga, Management believes that in order for the Group's cash generating unit to generate a loss due to deterioration, a material and significant change would have to be made in the key cases previously explained.

17. Trade and other payables

(a) The composition of this caption is presented below:

	2018	2017	1.01.2017
	US$(000)	US$(000)	US$(000)
		Restated	Restated
Trade payables (b):			
Third parties	196,110	90,072	78,589
Related parties, note 31(a)	11,683	6,637	9,693
	207,793	96,709	88,282
Other payables (b):			
Interest payable	26,660	26,816	25,900
Accounts payable for acquisition of non-controlling interest (c)	18,500	16,433	15,760
Other taxes and contributions payable	14,217	13,205	12,807
Workers' profit sharing (d)	12,026	16,164	17,303
Remuneration and Board's fees payable	11,605	7,701	7,853
Accounts payable for options' subscription, note 36(b)	3,964	-	-
Payable due to acquisition of mining concessions (e)	-	3,000	10,000
Related parties, note 31(a)	-	928	481
Others	1,558	2,070	2,862
	88,530	86,317	92,966
Total	296,323	183,026	181,248
By maturity:			
Current portion	259,819	151,385	141,798
Non-current portion	36,504	31,641	39,450
Total	296,323	183,026	181,248
By nature:			
Financial liability	258,475	145,956	143,285
Non-financial liabilities	37,848	37,070	37,963
Total	296,323	183,026	181,248

(b) Trade accounts payable result from the purchases of material and supplies for the Group operation, and mainly correspond to invoices payable to suppliers. These payable does not bear interest and are normally settled on 30 to 60 days term.

Other payables does not bear interest and have an average term of 3 months.

(c) Purchase of non-controlling interest -
On September 23, 2016, through its subsidiary Cumbres Andinas S.A., the Group acquired the non-controlling interest of Marcobre S.A.C. (Marcobre), which represented 30 percent of its capital stock and belonged to KLS Limited, thus obtaining control of 100 percent of the shares of subsidiary Marcobre, which generated an outstanding balance of US$25,000,000 payable that will be paid in five installments of annual maturity for an amount of US$5,000,000 each, beginning after which ever happens first between: (a) 10 working days after the start of commercial production of the Mina Justa project, or (b) on September 30, 2023.

During the last quarter of 2018, as indicated in the previous paragraph, the Group updated the period in which it will pay this account payable to KLS Limited over operation beginning date for the year 2021. This change resulted in an increase of the account payable and a greater financial expense for an amount of US$1,394,000, see note 29.

(d) Workers' profit sharing payable -
In accordance with Peruvian legislation, the Company determines the workers' profits share by applying the 8 percent rate on the same net tax base used to calculate income taxes. The distribution is determined by 50 percent on the number of days that each worker worked during the previous year and 50 percent on the proportional levels of annual remuneration.

(e) Accounts payable for the acquisition of mining concessions -
On August 6, 2004, the Group entered into simultaneous contracts with Shougang Hierro Peru (SHP) and Rio Tinto Mining and Exploration Limited, Branch of Peru (Rio Tinto), to acquire the mining concessions, mining rights, option rights and technical studies referred to a specific geographic area in the province of Nazca, dominated "Target Area 1". According to such contracts, it was established a fixed consideration (which was fully paid by the Company during the years 2007 and 2008), and a conditional consideration of US$10,000,000, which will be subject to the Group adopting the mining decision and as long as the mineral resources have a metallic content higher than 2.58 million of metric tons of copper (for which US$3,000,000 was paid) and 3.44 million of metric tons of copper (opportunity when the difference of US$7,000,000 shall be paid).

In order to guarantee the conditional consideration described in the previous paragraph, the subsidiary subscribed: (i) a mortgage on the mining concession of the Target Area 1 up to US$27,600,000 (which includes the amount of interest, legal fees, costs and costs) in the event that it is necessary to initiate a judicial process to execute the assets subject to the guarantee), which will be in effect until the subsidiary has fully complied with each and every one of the guaranteed obligations, and (ii) a pledge on the issued shares on behalf of the shareholders of the subsidiary.

During 2017, the Group determined the account payable related to these contracts, concluding that this amounts to US$3,000,000 (US$1,275,000 to Shougang Hierro Peru and US$1,725,000 to Rio Tinto, respectively), which was paid during the year 2018.

18. Interest-bearing loans and borrowings

(a) The composition of this caption is presented below:

Entity	Guarantee	Interest rate	2018	2017	1.01.2017
			US$(000)	US$(000)	US$(000)
				Restated	Restated
Corporate bonds, net of issuance costs (c)	No guarantee	6.25%	442,075	440,833	440,106
Citibank (d)	Corporate Minsur	Libor 3 months + Spread	104,873	75,264	-
Syndicated loan, net of structuring costs (e)		Libor 3 months +1.65%	69,665	-	-
Lease liability (h)		Between 3.44% y 5.18%	32,502	25,619	25,246
Bank do Brasil (g)	With guarantee	4.67% - 5.44%	14,183	23,022	56,270
Bank Santos (g)	No guarantee	Rate CDI + 2%	3,832	4,490	4,571
Bank ABC Brasil (g)	No guarantee	4.70%	2,996	-	6,100
Bank Santander (g)	No guarantee	5.16%	1,998	-	13,790
Bank Itaú	With guarantee	6.60%	-	19,299	30,482
Bank of America	With guarantee	5.01%	-	17,364	-
Bank BBM	With guarantee	6.00%	-	6,090	-
FINAME BNDES (Santander)	Leased assets	6.00%	-	-	120
FINAME BNDES (Safra)	Leased assets	6.00%	-	-	72
Other financial obligations (i)	No guarantee	-	8,880	3,772	-
			681,004	615,753	576,757
By maturity					
Currrent portion			41,579	80,399	121,688
Non-current portion			639,425	535,354	455,069
			681,004	615,753	576,757

(b) The following is the movement of financial obligations:

	2018 US$(000)	2017 US$(000) Restated
Opening balance	615,753	576,757
Additions	95,466	234,108
Adjusments	(1,927)	36
Payments	(16,734)	(182,614)
Translation	(11,554)	(12,534)
Ending balance	681,004	615,753

(c) The General Shareholders' Meeting held on January 30, 2014, agreed that the Group makes an international bond issue ("Senior Notes") through a private placement, under Rule 144A and Regulation S of the U.S. Securities Act of 1933. Also, agreed to list these securities in the Luxembourg Stock Exchange. On January 31, 2014, the Company issued bonds, with a face value of US$450,000,000, with maturity on February 7, 2024 and with a coupon interest rate of 6.25 percent, obtaining net proceeds of US$441,823,500.

The bonds restrict the ability of Minsur and its Subsidiaries to enter into certain transactions, however, these covenants do not require Minsur to comply with financial ratios or maintain specific levels of net worth or liquidity.

(d) It corresponds to loans of type "prepaid of exportation - PPE" obtained by the subsidiary Minera Taboca during the year 2017, whose dates of expirations are between the month of October of the year 2020 and December 2023, the financings were made with the objective of decrease part of their short-term debts and improve the cash flow in the subsidiary.

(e) On August 15, 2018 the subsidiary Marcobre subscribed a syndicated loan with a group of borrowers composed by Export Development Canada; Export Finance and Insurance Corporation; KFW IPEX-Bank GMBH; The Export-Import Bank of Korea; Banco Bilbao Viscaya Argentaria, S.A .; Hong Kong, Banco de Crédito del Peru; BBVA Banco Continental; Credit Agricole Corporate and Investment Bank; ING Bank (a Branch of ING-DIBA AG); ING Capital LLC; Natixis London Branch; Natixis New York Branch, Société Génerale; and Banco Bilbao Viscaya Argentaria, SA, New York Branch, for which it obtained a credit line of US$900 million; This loan will be used to develop and build the Mina Justa project with a variable libor interest rate (2.35% as of December 31, 2018). In order to obtain this loan, the subsidiary Marcobre counted as guarantors with Minsur S.A. and Empresas Copec S.A. Until December 31, 2018, the Group has received disbursements for US$72,000,000.

During the loan period, Marcobre must meet the following conditions agreed in the loan contract:

- Notify to the guarantor agent of any revision of the Mining Plan. In addition, the subsidiary Marcobre will not be able, without the lenders' consent, to use the project funds in an amount exceeding US$2,500,000 in any period to pay the costs incurred in connection with the mining concessions that are not strategic mining concessions.

- Marcobre will notify the guarantee agent before incurring capital expenditures during any fiscal year that exceeds US$20,000,000 above the total capital expenditures budgeted in the annual budget and the operating plan in effect for that fiscal year.

As of December 31, 2018, the subsidiary Marcobre has complied with the financial restrictions of the subscribed contract.

(f) As of December 31, 2018, the subsidiary Marcobre incurred costs of structuring the debt amounting to US$30,240,000 related to obtaining the US$900,000,000 line of credit. During 2018 it has received a disbursement of US$72,000,000, for which a cost of structuring the debt related to said portion has been recognized for the amount of US$2,335,000.

(g) They correspond to loans of the type "advance of exchange contracts -ACC", obtained by the subsidiary Minera Taboca to finance their working capital and contracted in relation to their export operations, also these export exchange contracts financed constitute the guarantees of the financed amounts, the dates of their maturities are between the months of July and August of the year 2019.

(h) As of December 31, 2018, 2017 and January 1, 2017, the obligations for lease agreements are as follows:

	2018 US$(000)	**2017** US$(000) Restated	**1.01.2017** US$(000) Restated
Lease liability (third parties)	22,081	17,976	13,926
Lease liability (related parties, note 31)	10,421	7,643	11,320
Total	32,502	25,619	25,246
By maturity:			
Current portion	13,522	10,517	14,907
Non-current portion	18,980	15,102	10,339
	32,502	25,619	25,246

The liability consists of leases of property, machinery and equipment and vehicles for the operation of the Group.
The movement of the lease liability is as follows:

	2018	2017
	US$(000)	US$(000) Restated
Initial balance of lease	25,619	25,246
Lease additions	25,722	16,281
Lease adjustment	(2,201)	30
Lease payments	(16,641)	(15,943)
Exchange rate difference	3	5
Final balance of lease	32,502	25,619

(i) As of December 31, 2018 and 2017, it corresponds to financing transactions with suppliers ("confirming"), which was carried out with local banks in local and foreign currency.

(j) As of December 31, 2018, Minsur S.A. maintains joint guarantee by US$228,000,000 to guarantee the financial obligations of its subsidiary Taboca with the following financial institutions:

- Banco Itaú for US$10,000,000; solidary bond without expiration date.
- Banco do Brasil for US$20,000,000; solidary bond without expiration.
- Banco Santander Brasil for US$10,000,000; solidary bond, without due date generated by the subscription of the hedge contract with that financial institution.
- Bank of America for US$15,000,000; solidarity bond, without expiration date.
- JP Morgan for US$10,000,000; solidary bond, without due date generated by the subscription of the hedge contract with said financial institution.
- Citibank for US$105,000,000; solidarity bond, without expiration date.
- Banco Santos for US$21,000,000 with expiration date on March 12, 2021

(k) As of December 31, 2018, 2017 and January 1, 2017, the non-current portion of the Group's financial obligations will be paid as follows:

	2018			2017 (Restated))			As of January 1, 2017 (Restated)		
	Interest	Principal	Total	Interest	Principal	Total	Interest	Principal	Total
	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)	US$(000)
2018	-	-	-	-	-	-	28,538	2,378	30,916
2019	-	-	-	28,715	3,396	32,111	28,442	2,585	31,027
2020	36,199	8,787	44,986	28,579	3,692	32,271	28,339	2,792	31,131
2021	34,658	74,137	108,795	28,431	3,987	32,418	28,227	2,584	30,811
2022 on forward	81,953	556,501	638,454	70,465	524,279	594,744	70,318	444,730	515,048
Total	152,810	639,425	792,235	156,190	535,354	691,544	183,864	455,069	638,933

19. Provisions

(a) The composition of this caption is presented below:

	Provision for mine closure (b) US$(000)	Provision for environmental remediation (c) US$(000)	Provision for contingencies (d) US$(000)	Provision of performance bonuses US$(000)	Total US$(000)
As of January 1, 2017 (Restated)	104,026	60,913	5,527	9,963	180,429
Additions	6,953	-	2,953	11,182	21,088
Translation	(1,086)	(642)	(89)	(34)	(1,851)
Accretion, note 29	1,558	(1,808)	-	-	(250)
Change in estimates	9,742	2,589	-	-	12,331
Payments and advances	(5,582)	(8,678)	(14)	(7,944)	(22,218)
Reversals, note 28	-	-	(1,452)	(3,439)	(4,891)
As of December 31, 2017 (Restated)	115,611	52,374	6,925	9,728	184,638
Additions	11,170	1,209	2,440	14,050	28,869
Translation	(7,904)	(5,690)	(635)	(540)	(14,769)
Accretion, note 29	1,186	110	-	-	1,296
Change in estimates	1,190	(117)	-	-	1,073
Payments and advances	(349)	(4,991)	(538)	(10,032)	(15,910)
Reversals, note 28	(11,945)	(495)	(1,897)	(122)	(14,459)
As of December 31, 2018	108,959	42,400	6,295	13,084	170,738
By maturity:					
Current portion	7,607	14,592	2,283	9,477	33,959
Non-current portion	96,419	46,321	3,244	486	146,470
As of January 1, 2017 (Restated)	104,026	60,913	5,527	9,963	180,429
By maturity:					
Current portion	3,515	8,725	2,237	9,213	23,690
Non-current portion	112,096	43,649	4,688	515	160,948
As of December 31, 2017 (Restated)	115,611	52,374	6,925	9,728	184,638
By maturity:					
Current portion	6,682	5,372	3,032	11,390	26,476
Non-current portion	102,277	37,028	3,263	1,694	144,262
As of December 31, 2018	108,959	42,400	6,295	13,084	170,738

(b) The provision for mine closure is made up as follows:

	Units Pitinga and Pirapora US$(000)	Units San Rafael, Pucamarca and Pisco US$(000)	Others US$(000)	Total US$(000)
As of January 1, 2017 (Restated)	47,830	51,353	4,843	104,026
Additions, note 13(a)	-	6,953	-	6,953
Translation	(1,063)	-	(23)	(1,086)
Accretion	-	1,491	67	1,558
Change in estimate, note 13(a)	6,169	2,718	855	9,742
Payments and advances	-	(33)	(5,549)	(5,582)
As of December 31, 2017 (Restated)	52,936	62,482	193	115,611
Additions, note 13(a)	-	8,248	2,922	11,170
Translation	(10,030)	-	(71)	(10,101)
Accretion	-	1,186	-	1,186
Change in estimate, note 13(a)	3,385	-	2	3,387
Payments and advances	-	(9)	(340)	(349)
Reversals	-	(11,945)	-	(11,945)
As of December 31, 2018	46,291	59,962	2,706	108,959
By maturity:				
Current portion	-	2,947	4,660	7,607
Non-current portion	47,830	48,406	183	96,419
As of January 1, 2017 (Restated)	47,830	51,353	4,843	104,026
By maturity:				
Current portion	-	3,464	51	3,515
Non-current portion	52,936	59,018	142	112,096
As of December 31, 2017 (Restated)	52,936	62,482	193	115,611
By maturity:				
Current portion	4,925	741	1,016	6,682
Non-current portion	41,366	59,221	1,690	102,277
As of December 31, 2018	46,291	59,962	2,706	108,959

The provision for closure of mining units and exploration projects reflects the present value of the closing costs expected to be incurred between 2019 and 2063, in compliance with government regulations, see note 32(a) and (b). The estimated closing costs of mining units are based on studies prepared by independent consultants, which comply with environmental regulations. The provision for closure of mining units relates mainly to activities to be performed for the restoration of the mining units and areas affected by operating activities. The main work to be performed is for earthworks, revegetation works and dismantling of the plants. The closing budgets are regularly reviewed to take into account any significant change in the studies. However, the closing costs of mining units will depend on market prices of closure works required to reflect future economic conditions. Also, the time of the disbursements carried out depends on the life of the mine, which depends of future prices of metals.

As of December 31, 2018, the main assumptions used in the calculation of the present value of the mine closure provision are the following:

	Units Pirapora and Pitinga	**Units San Rafael, Pucamarca and Pisco**
Annual risk-free rate	5.03%	Between 0.33% and 2.86%
Years covered by the closure mine	44 years	16, 12 and 38 years

(c) This includes provision for environmental remediation obligation comprised by the following:

	Units Pitinga and Pirapora US$(000) (i)	Sillustani y Barbastro US$(000) (ii)	Marcobre US$(000) (iii)	Total US$(000)
As of January 1, 2017 (Restated)	44,127	15,593	1,193	60,913
Translation	(624)	(18)	-	(642)
Acretion	(2,186)	361	17	(1,808)
Change in estimate, note 27	-	2,589	-	2,589
Payments and advances	(1,831)	(6,847)	-	(8,678)
As of December 31, 2017 (Restated)	39,486	11,678	1,210	52,374
Aditions	1,209	-	-	1,209
Translation	(5,777)	87	-	(5,690)
Acretion	-	112	(2)	110
Change in estimate	-	(117)	-	(117)
Payments and advances	(1,351)	(3,640)	-	(4,991)
Reversal, note 27	-	-	(495)	(495)
As of December 31, 2018	33,567	8,120	713	42,400
By maturity:				
Current portion	9,058	4,396	1,138	14,592
Non-current portion	35,069	11,197	55	46,321
As of January 1, 2017 (Restated)	44,127	15,593	1,193	60,913
By maturity:				
Current portion	2,004	5,511	1,210	8,725
Non-current portion	37,482	6,167	-	43,649
As of December 31, 2017 (Restated)	39,486	11,678	1,210	52,374
By maturity:				
Current portion	2,249	3,123	-	5,372
Non-current portion	31,318	4,997	713	37,028
As of December 31, 2018	33,567	8,120	713	42,400

(i) It includes environmental restoration activities for the operations of the Pitinga mine in Brazil carried out in previous years. With the support of external specialists Taboca has updated the environmental remediation provision of the Pitinga and Pirapora units as of December 31, 2018.

(ii) It mainly includes environmental restoration activities in the Puno region related to the subsidiary Sillustani SAC and includes dyke construction activities, improvement of drainage systems, water treatment, bofedal rehabilitation, among other works that will be carried out over the years 2019 to 2020.

It also includes liabilities generated by the usufruct contract of land and complementary rights subscribed with the Tinyacclla and Río de la Virgen Peasant Communities, through which the Company is granted the right to conduct exploration and mining activities for a term of 25 years and 15 years, respectively.

The present value of the obligation as of December 31, 2018 for the usufruct contract with the Tinyacclla and Río de la Virgen Peasant Community amounts to approximately US$646,000 and US$183,000 (US$675,000 and US$209,000 as of December 31, 2017), respectively.

(iii) This obligation is related with restoration activities in explorations area of Mina Justa Project which is operated by the subsidiary Marcobre and includes activities such as earthwork, revegetation and the dismantling of all facilities. This obligation is expected to be incurred during 2019, according to environmental regulations.

(d) Provision for contingencies -
This caption is made up of the following:

Brazilian subsidiary –
It mainly corresponds to claims for compensation of ex-workers for US$2,232,000 (US$2,642,000 as of December 31, 2017), civil contingencies for US$348,000 (US$1,247,000 as of December 31, 2017) and other minor contingencies for US$132,000 (US$103,000). December 31, 2017).

Peruvian subsidiary –
It mainly corresponds to environmental contingencies that come from processes interposed by the Agency for Environmental Assessment and Control (OEFA by its acronym in spanish), National Water Authority (ANA by its acronym in spanish) and Supervisory Body for Investment in Energy and Mining (OSINERGMIN by its acronym in spanish) for US$335,000 (US$2,237,000 at December 31, 2017) and labor contingencies for US$2,150,000 (US$265,000 as of December 31, 2017).

20. Deferred income tax assets and liabilities, net

(a) The composition and movements of this caption is presented below:

	As of January 1, 2017 US$(000) Restated	Effect on profit or loss US$(000)	Translation US$(000)	Effect in other comprehensive income US$(000)	Other equity reserves, note 21(f)	As of December 31, 2017 US$(000) Restated	Effect on profit or loss US$(000)	Translation US$(000)	Effect in other comprehensive income US$(000)	As of December 31, 2018 US$(000)
Deferred income tax assets										
Exploration and evaluation costs	46,216	1,028	-	-	-	47,244	-	-	-	47,244
Differences in accounting and tax basis of fixed assets	13,112	30,986	-	-	-	44,098	(1,451)	-	-	42,647
Tax benefits from acquisition of MineraçãoTaboca S.A.	25,408	32,108	(1,257)	-	(23,345)	32,914	(1,501)	(4,584)	-	26,829
Provision for mine closure	15,159	3,062	-	-	-	18,221	(1,301)	-	-	16,920
Leases liability	7,448	110	-	-	-	7,558	(3,253)	-	-	4,305
Financial assets at fair value through profit or loss	6,072	(6,072)	-	-	-	-	-	-	-	-
Profit from tax payments in excess of previous years	4,855	(3,669)	-	-	-	1,186	556	-	-	1,742
Mining royalties and special mining tax	1,730	(429)	-	-	-	1,301	1	-	-	1,302
Financial assets at fair value through OCI	2,524		-	(2,524)	-	-	-	-	2,309	2,309
Pre-operational costs for tax purposes	-	8,314	-	-	-	8,314	(770)	-	-	7,544
Difference of accounting and tributary base of the mining concessions	14	4,467	-	-	-	4,481	20,496	-	-	24,977
Derivative financial instruments	-	-	-	-	-	-	-	-	2,389	2,389
Others	18	2,816	157	-	-	2,991	732	-		3,723
	122,556	72,721	(1,100)	(2,524)	(23,345)	168,308	13,509	(4,584)	4,698	181,931
Deferred income tax liabilities										
Differences in accounting and tax basis of mining concessions	(36,565)	(61,230)	2,914	-	-	(94,881)	(26,228)	627	-	(120,482)
Exchange difference of non-monetary items	(18,580)	6,683	-	-	-	(11,897)	(11,676)	-	-	(23,573)
Assets retirement costs	(5,403)	(1,695)	-	-	-	(7,098)	452	-	-	(6,646)
Development costs	(5,223)	899	-	-	-	(4,324)	2,259	-	-	(2,065)
Differences in accounting and tax basis of fixed assets	(1,782)	(1,223)	-	-	-	(3,005)	944	-	-	(2,061)
Differences in accounting and tax basis of inventories	(393)	(139)	-	-	-	(532)	(1,278)	-	-	(1,810)
Financial liabilities at fair value through OCI	-	-	-	(406)	-	(406)	-	-	406	-
Financial liabilities at fair value through profit or loss	(1,509)	(796)	-	-	-	(2,305)	2,305	-	-	-
Right-of-use assets	(7,321)	(47)	-	-	-	(7,368)	3,200	-	-	(4,168)
Others	(187)	(6,587)	-	-	-	(6,774)	3,659	-	-	(3,115)
	(76,963)	(64,135)	2,914	(406)	-	(138,590)	(26,363)	627	406	(163,920)
Deferred income tax assets (liability), net	45,593	8,586	1,814	(2,930)	(23,345)	29,718	(12,854)	(3,957)	5,104	18,011
Mining royalties (MR) and Special mining tax (SMT):										
Deferred assets										
Difference of accounting and tax base of property, plant and equipment	3,351	761	-	-	-	4,112	1,348	-	-	5,460
Exploration expenses	1,355	(40)	-	-	-	1,315	(162)	-	-	1,153
	4,706	721	-	-	-	5,427	1,186	-	-	6,613
Deferred liabilities										
Difference in exchange for non-monetary items	(2,538)	771	-	-	-	(1,767)	(854)	-	-	(2,621)
Differences of accounting and tax base of inventories	(23)	(16)	-	-	-	(39)	(239)	-	-	(278)
Changes in the fair value of trade accounts receivable	-	(35)	-	-	-	(35)	20	-	-	(15)
	(2,561)	720	-	-	-	(1,841)	(1,073)	-	-	(2,914)
Deferred tax liability of MR and SMT, net	2,145	1,441	-	-	-	3,586	113	-	-	3,699
Total deferred income tax assets (liability), net	47,738	10,027	1,814	(2,930)	(23,345)	33,304	(12,741)	(3,957)	5,104	21,710

These amounts are presented in the consolidated of statement of financial position in accordance with the presentation in the financial statements of each entity of the Group, as follows:

	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Deferred income tax assets	127,155	135,493	86,010
Deferred income tax liabilities	(105,445)	(102,189)	(38,272)
	21,710	33,304	47,738

(b) The reconciliation of the income tax expense and the profit before taxes times the tax rate of 2018 and 2017, is presented below:

	2018 US$(000)	2017 US$(000) Restated
Profit before income tax	172,687	141,804
Income tax at statutory rate	(51,151)	(16,547)
Translation (c)	(15,196)	4,852
Effect of permanent differences, net	(10,695)	(177)
Deferred tax penalty in subsidiary	(10,241)	-
Tax losses in subsidiaries	(4,918)	(26,450)
Share results from associates	(3,521)	(9,767)
Tax credit	(323)	(3,669)
Interest paid by the tax administration	8,380	-
Effect of mining royalties	4,591	5,165
Income tax expense	(83,074)	(46,593)
Return of income tax, note 33(b)	34,018	-
Mining royalties and special mining tax	(15,452)	(16,068)
Total	(64,508)	(62,661)

(c) This expense arises from maintaining the US dollar as a functional currency for accounting purposes and soles for tax purposes. During 2018, the variation of the exchange rate was S/3.245 to S/3.379 resulting in the aforementioned income, which does not imply a disbursement affecting the Group's cash flow.

(d) The (expense) income for income tax shown in the consolidated statements of profit or loss consists on the following:

	2018 US$(000)	2017 US$(000) Restated
Income tax		
Current	(36,202)	(55,179)
Deferred	(12,854)	8,586
	(49,056)	(46,593)
Mining royalties and special mining tax		
Current	(15,565)	(17,509)
Deferred	113	1,441
	(15,452)	(16,068)
Total of income tax	(64,508)	(62,661)

(e) As of December 31, 2018, 2017 and January 1, 2017, the Group maintains a favorable balance for income tax of US$20,729,000, US$345,000 and US$338,000, respectively. Likewise, it has a tax on earnings payable of US$4,354,000, and US$9,319,000 as of December 31, 2017 and January 1, 2017, respectively.

Deferred income tax on investments in associates -
The Group does not record the deferred income tax asset related to investments in its associates Inversiones Cordillera del Sur Ltda., Explosivos S.A., and Futura Consorcio Inmobiliario S.A.C. due to: (i) Inversiones Breca and subsidiaries have joint control of those companies, which operate as part of the economic group and, (ii) the Group has the intent and the ability to hold these investments in the long-term. Consequently, Management believes that the temporary difference will be reversed through dividends to be received in the future, which according to current tax rules are not subject to income tax. There is no legal or contractual obligation for the Group's Management to be forced to sell its investment in associates.

21. Equity

(a) Capital stock -
As of December 31, 2018 and 2017, the authorized, subscribed and paid capital stock in accordance with the Company's by-laws and amendments, is represented by 19,220,015 common shares with a nominal value of S/100.00 each one.

(b) Investment shares -
As of December 31, 2018 and 2017, this caption is made up of 960,999,163 investment shares, with a nominal value of S/1 each one.

According to the current legislation, the investment shares grant the holders the right to participate in the dividend distribution, make contributions to maintain its share in the case of capital increases as a result of additional contributions, increase the investment shares account due to the capitalization of equity accounts, redemption of shares and participation in the distribution of the equity in case of dissolution. The investment shares do not grant access to the Board of Directors or to the Shareholders' meetings. The investment shares of the Company are listed on the Lima Stock Exchange (BVL).

The quotation of these shares as of December 31, 2018 was S/1.38 per share (S/1.80 per share as of December 31, 2017).

(c) Legal reserve -
The Peruvian General Corporation Law requires that a minimum of 10 percent of the distributable earnings for each period, after deducting the income tax, needs to be transferred to a legal reserve until such is equal to 20 percent of the capital. This legal reserve can offset losses or can be capitalized, in both cases there is an obligation to replenish it.

For the years 2018 and 2017, the Group has not increased its legal reserve because it reached the limit mentioned above.

(d) Reinvested earning -
As of December 31, 2017 this balance is made up of reinvested profits approved in prior years by US$39,985,000.

(e) Declared and paid dividends -
Below is the information on declared and paid dividends during the year 2017:

	Date	Dividends declared and paid US$(000)	Dividends per common share US$(000)	Dividends per investment share US$(000)
Dividends 2017				
Shareholders' meeting	September 22	61,138	1.50	0.033

No dividends have been declared in 2018.

(f) Other reserves -

During the year 2018, the Group as a result of the sale of 40 percent of its shares in the subsidiary Cumbres Andinas S.A. recognized a gain of US$39,389,000, which was decreased by US$7,400,000 due to the obligations assumed in relation to the share transfer agreement denominated "Purchase Agreement" between Minsur and Alxar International SpA as shareholders owning 100 percent of the shares of Cumbres Andinas S.A.C.

During the year 2017, the Group analyzed the recoverability of the asset for deferred income tax related to the tax credit obtained in Brazil for the acquisition of the subsidiary Mineração Taboca S.A. and determined that a portion amounting to US$23,345,000 of said credit will not be recoverable, so the Group decreased it. On the other hand, in accordance with the General Corporation Law, the Group recognized in this item dividends pending to paid from previous years for an amount of US$551,000.

(g) Cumulative translation adjustment -

This caption corresponds to the exchange difference resulting from the translation of the financial statements of the foreign subsidiaries and associates, into the functional currency of the Group.

During 2018, the resulting exchange difference generated a net loss of US$31,345,000 (which mainly includes a foreign exchange loss of US$11,763,000 for the Brazilian subsidiary, a US$19,434,000 foreign exchange loss for the associate Inversiones Cordillera del Sur Ltda. of Chile, and a loss of US$148,000 for the other associates). During 2017, the resulting exchange difference generated a gain of US$7,566,000 (which mainly includes a foreign exchange loss of US$3,362,000 for the Brazilian subsidiary, an exchange gain of US$10,718,000 for the associate Inversiones Cordillera del Sur Ltda. Chile, and a foreign exchange gain of US$210,000 for the other associates). These translation results are included in the consolidated statement of other comprehensive income.

(h) Unrealized results -

Corresponds to unrealized losses on financial assets with changes in other comprehensive income for US$11,749,000 (gain for US$9,933,000 as of December 2017), to loss on investments in subsidiaries and associates for US$6,710,000 (gain for US$2,991,000 as of December 2017) and the loss due to cash flow hedge of US$6,800,000 from the subsidiary Marcobre S.A.C. as of December 2018.

(i) Non-controlling interest contributions -

During fiscal year 2018, the Group received non-controlling interest contributions for a total amount of US$50,640,000 as part of the financing of the Mina Justa project.

22. Tax situation

(a) Peruvian tax -

The Company is subject to the Peruvian tax system.

By Legislative Decree N° 1261 published on December 10, 2016, the Peruvian government introduced certain amendments to the Income Tax Law, effective as from January 1, 2017. The most relevant are presented below:

- An income tax rate of 29.5 percent is set.

- A tax of 5 percent of the income tax is established to the dividends or any other form of distribution of profits. The rate applicable to dividends will be considered taking into account the year in which the results or profits that form part of the distribution have been obtained, in accordance with the following: 4.1 percent with respect to the results obtained until December 31, 2014; 6.8 percent with respect to the results obtained during the years 2015 and 2016; and 5 percent with respect to the results obtained from January 1, 2017.

In July 2018 Law N° 30823 was published in which Congress delegated to the Executive Power the power to legislate on various issues, including tax and financial matters. In this sense, the main tax regulations issued are the following:

i) Modified, starting January 1, 2019, the treatment applicable to the royalties and fees for services provided by non-domiciled recipients, eliminating the obligation to pay an amount equivalent to the withholding when the costs or expenses are booked, and must now withhold the corresponding income tax at the time of their payment or retribution accreditation (Legislative Decree N° 1369).

ii) Established rules governing the obligation of persons legal and/or entities legal to report the identification of their final beneficiaries (Legislative Decree N° 1372). These rules are applicable to legal persons domiciled in the country, pursuant to article 7 of the Income Tax Law, and to legal entities in the country. The obligation is applicable for non-domiciled legal entities and legal entities constituted abroad while: a) have a branch, agency or another permanent establishment in the country; b) the person (natural or legal entity) who manage the autonomous patrimony or foreign investment funds, or the natural or legal person who has quality of guard or administrator, is domiciled in the country; and, c) any part of a consortium is domiciled in the country. This obligation will be fulfilled by submitting to the tax authority of sworn statement information, which should contain the final beneficiary information and be submitted, in compliance with the regulations and in the deadlines established through a resolution of the Superintendence of Peruvian Tax Administration.

iii) Changed the tax code in the implementation of the General Anti-Avoidance Rule – GAAR (Rule XVI of the preliminary title of the Tax Code (Legislative Decree N° 1422).

As part of this modification, a new assumption of joint and several liabilities are envisaged, when the tax debtor is subject to the application of the measures provided by Rule XVI in the event that tax evasion cases are detected; in such case, the joint and several liability shall be attributed to the legal representatives provided that they have collaborated with the design or approval or execution of acts or situations or economic relations foreseen as elusive in Rule XVI. In the case of companies that have a Board of Directors, it is up to this corporate body to define the tax strategy of the entity, having to decide on the approval or not of acts, situations or economic relations to be carried out within the framework of tax planning, this power being non-delegable. The acts, situations and economic relations carried out within the framework of fiscal planning and implemented on the date of entry into force of Legislative Decree N° 1422 (September 14, 2018) and which continue to have effect, must be evaluated by the Board of Directors of the legal entity for the purpose of ratification or modification until March 29, 2019, without prejudice to the fact that the management or other administrators of the company have approved the aforementioned acts, situations and economic relations.

It has also been established that the application of Rule XVI, as regards the re-characterization of tax evasion cases, will take place in the final inspection procedures in which acts, facts or situations produced since 19 July 2012.

iv) Amendments to the Income Tax Law were included, effective as of January 1, 2019, to improve the tax treatment applicable to (Legislative Decree N° 1424):

- Income obtained from the indirect transfer of shares or participations representing the capital of legal persons domiciled in the country. Among the most relevant changes is the inclusion of a new indirect alienation assumption, which is configured when the total amount of the shares of the domiciled legal entity whose indirect disposal is made is equal to or greater than 40,000 UIT.

- Permanent establishments of sole proprietorships, companies and entities of any nature incorporated abroad. For this purpose, new cases of permanent establishment have been included, among them, when the rendering of services in the country occurs, with respect to the same project, service or related one, for a period that exceeds 183 calendar days in total within any period of twelve months.

- The system of credits against Income Tax for taxes paid abroad, to be included in the indirect credit (corporate tax paid by foreign subsidiaries) as credit applicable against the Income Tax of domiciled legal persons, in order to avoid the double economic imposition.

- The deduction of interest expenses for the determination of corporate income tax. To this end, limits were established both for loans with related parties, as well as for loans with third parties contracted as of September 14, 2018 on the basis of equity and EBITDA.

(v) Regulations have been established for the accrual of income and expenses for tax purposes as of January 1, 2019 (Legislative Decree N° 1425). Until 2018 there was no normative definition of this concept, so in many cases accounting rules were used for its interpretation. In general terms, with the new criterion, for purposes of the determination of Income Tax, it will now matter if the substantial facts for the generation of income or expense agreed by the parties have occurred, which are not subject to a condition precedent, in whose case the recognition will be given when it is fulfilled and the opportunity for collection or payment established will not be taken into account.

(b) Tax Situation

Minsur S.A

The tax authorities have the power to review and adjust the income tax calculated by the Company in the four years following the year the tax returns presentation. The tax returns of the Income tax for the years 2014 to 2018 and value added tax (VAT) for the years 2013 to 2018 are open to review by tax authorities. To date, the Tax Administration performed the review of the income tax for the year 2000 to 2011, and the value added tax and value added tax for the years 2000 to December 2008.

Due to the interpretations that the tax authorities may give to legislation in effect, it is not possible to determine whether or not of the tax audits that will perform will result in increased liabilities for the Company. Therefore, any greater tax or surcharge that could result from eventual tax reviews would be applied to the results of the fiscal year in which it is determined. However, in opinion of the Company's management and its legal counsels, any eventual additional tax settlement would not be significant for the consolidated financial statements as of December 31, 2018 and 2017.

Brazilian subsidiaries –

Mineração Taboca S.A. is subject to the Brazilian tax regime. As of December 31, 2018 and 2017, the income tax rate is 34 percent of taxable income. Cash dividends in favor of non-domiciled shareholders are not taxed. The years open of review are from 2014 to 2018.

The tax loss carryforward determined by Mineração Taboca S.A. as of December 31, 2018 amounts to US$531,541,000 (US$390,579,000 as of December 31, 2017). The subsidiary has decided to recognize a deferred income tax asset related to the tax loss carryforward only for the recoverable portion, recording a deferred income tax asset of US$11,470,000 considering that there is no certainty of recovery additional portion of the accumulated tax losses.

According to the Brazilian laws the tax losses do not expired, but their utilization will be limited to 30 percent of the taxable profit of each future period.

Peruvian subsidiaries -
In the case of Marcobre, the tax authorities have the power to review and, if applicable, correct the income tax calculated by Marcobre in the four years after the year of filling the tax return. The affidavits of the income tax from 2016 to 2018 and the value added tax returns for the periods 2014 to 2018 are pending review by the tax authorities

In the other subsidiaries, the income tax returns from 2014 to 2018 and the value added tax returns from 2014 to 2018 of the Peruvian subsidiaries are pending review by the tax authorities.

As of December 31, 2018 and 2017, the tax losses of the Peruvian subsidiaries are as follow:

	2018 US$(000)	**2017** US$(000) Restated
Compañía Minera Barbastro S.A.C.	4,290	3,211
Minera Sillustani S.A.C.	5,391	3,196
Cumbres Andinas S.A.C.	898	815
Minera Latinoamericana S.A.C.	356	46

As of December 31, 2018, these subsidiaries, have not recognized deferred income tax asset originated by the tax loss carryforward by US$10,935,000 (US$7,268,000 as of December 31, 2017), because management has no certainty about the future realization of such tax losses.

(c) Transfer pricing-
For the purposes of determining current income tax, the prices and amounts of those consideration that have been agreed upon in transactions between related parties or that are carried out from, to or through countries or territories of low or zero taxation, must have documentation and information to support the valuation methods and criteria applied in their determination. The Tax Administration is entitled to request this information from the Group. Based on the analysis of the Group's operations, Management and its legal advisors are of the

opinion that, as a consequence of the application of these rules, no material contingencies will arise as of December 31, 2018 and 2017.

(d) Legal Stability Agreement -
On December 9, 2016, the subsidiary Marcobre S.A.C. signed a Legal Stability Agreement with the Agency for the Promotion of Private Investment - PROINVERSION, respectively, through which it undertakes to issue shares in favor of its Principal (Cumbres Andinas S.A.C.) for US$135,300,000 within a period not exceeding two years and it will be destined to expand the productive capacity of the subsidiary Marcobre S.A.C. and obtains the stabilization of the income tax and labor regimes, in force at the date of subscription of the agreement. This agreement has a term of 10 years counted from the date of its subscription. As of December 31, 2017, the subsidiary Marcobre S.A.C. maintains the income tax rates of 26 percent.

23. Net sales

The composition of this caption is presented below:

	2018 US$(000)	2017 US$(000) Restated
Tin and other minerals	493,464	503,856
Gold	130,870	119,093
Niobium and tantalum	69,439	49,175
	693,773	672,124

Tin sales concentration -
In the year 2018 there is no significant concentration of sales. The three most important clients accounted for 42 percent of total sales (36 percent in the year 2017).

Concentration of gold sales -
In the year 2018 the Group sold gold to three customers (four customers in the year 2017).

Concentration of sales of niobium and tantalum -
In the year 2018 and 2017 there is no significant concentration of sales, since its three main customers represent 5 percent of total sales.

24. Cost of sales

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Opening balance of product in process inventory	22,409	18,898
Opening balance of finished product inventory	42,145	45,884
Wages and salaries	95,130	94,407
Consumption of raw material and miscellaneous supplies	89,009	79,731
Services rendered by third parties	87,856	90,728
Depreciation, notes 13(b) y 15(b)	87,052	73,510
Purchase of mining services from AESA S.A.,note 31(b)	23,285	30,319
Energy	12,396	15,549
Amortization, note 14(b)	8,819	9,764
Purchase of explosives from Exsa S.A. note 31(b)	6,015	6,598
Insurance	3,646	4,053
Taxes and rates	2,699	2,520
Inventory losses	759	3,665
Allowance for impairment of inventories, note 8(c)	393	(1,808)
Allowance for obsolescence of materials and supplies, note 8(d)	173	893
Other manufacturing expenses	7,805	5,544
Final balance of product in process inventory	(42,352)	(42,145)
Final balance of finished product inventory	(32,600)	(22,409)
	414,639	415,701

25. Administrative expenses

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Personnel expenses	33,530	29,486
Services provided by third parties	8,206	8,055
Advice and consulting	4,552	3,982
Diverse charges	3,588	2,569
Depreciation, notes 13(b) y 15(b)	1,284	1,269
Amortization, note 14(b)	-	11
	51,160	45,372

26. Selling expenses

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Diverse charges	1,614	893
Personnel expenses	1,467	1,224
Third-party services	1,432	1,656
Sales commissions	107	133
Depreciation, note 13(b)	12	3
Estimation of expected credit losses	-	34
	4,632	3,943

27. Exploration and evaluation expense

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Third-party services	26,441	28,721
Personnel expenses	3,313	3,094
Diverse charges	2,723	1,793
Depreciation, notes 13(b) y 15(b)	2,586	1,989
Purchase of mining services from AESA S.A., note 30(b)	1,756	1,284
Supplies	452	369
Amortization, note 14(b)	237	553
	37,508	37,803

28. Others, net

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Other operating income		
Update of the environmental remediation liability - Pisco	7,378	-
Income from sale of supplies	6,194	5,386
Tax incentives refund - Taboca	5,184	-
Reversal of tax credits provision of Taboca	3,748	2,751
Income for works for taxes	2,446	-
Income for tax refund by the Tax Administration, note 30(b)	2,053	-
Recovery of provision for contingencies, note 19(a)	1,897	1,452
Income for advisory service	1,718	1,440
Rental of property and equipment	917	1,061
Income from sale of property, plant and equipment	624	779
Recovery of provisions for environmental remediation and others, note 19(C)	612	-
Income from the sale of investments in associates	-	61,139
Reversal of liability for acquisition of concessions	-	10,000
Income from insurance compensation	-	3,199
Recovery of accounts receivable for tax litigation	-	1,570
Other minors	6,240	2,036
	39,011	90,813
Other operating expenses:		
Net cost of supplies sold	(5,867)	(4,993)
Reversal of incentive of the tax on the circulation of goods and services (ICMS - Brazil)	(5,184)	-
Write-off of the tax credit of VAT of the subsidiary, note 7(c)	(4,704)	-
Writte-off asset retirement cost	(3,725)	-
Writte-off of intangible assets	(3,634)	-
Professional fees for legal and tax advice	(3,385)	-
Net cost of disposal of property, plant and equipment	(2,917)	(5,241)
Writte-off of fixed assets by assessment of subsidiary	(2,588)	-
Expenses for works for taxes	(2,446)	-
Contingencies provision, note 19(a)	(2,440)	(2,953)
Donations granted	(2,395)	(2,625)
Adjustment for physical inventory of supplies	(1,501)	(190)
Reversal of tax credits provision of Taboca	(1,451)	-
Taxes assumed for financial costs and other provisions	(1,423)	(1,403)
Allowance for impairment of tin metal, note 8(c)	(1,044)	-
Contributions to public entities of environmental regulation	(1,228)	(1,273)
Mining retirement fund	(687)	(924)
Workers' compensation and other processes	(337)	(358)
Depreciation, note 13(b)	(287)	(1,262)
Fiscal administrative sanctions	(37)	(2,933)
Net cost of disposal of sale of shares	-	(39,885)
Withdrawal of various credits	-	(1,602)
Excess expenses due to mine closure	-	(601)
Amortization, note 14(b)	-	(13)
Provisions for environmental remediation and others	-	(2,589)
Others	(11,073)	(5,742)
	(58,353)	(74,587)
	(19,342)	16,226

29. Finance income and costs

The composition of this caption is made up as follows:

	2018 US$(000)	2017 US$(000) Restated
Finance income:		
Interest paid by the tax administration, note 33(a) and (b)	56,478	3,425
Interest for term deposits	8,978	5,009
Interest on certificate of deposit, note 9(f)	1,432	709
Others	3,497	2,483
Interest income	70,385	11,626
Accretion of provisions, see note 19(a)	8	2,198
Total	70,393	13,824
Finance costs:		
Interest of corporate bonds	(27,312)	(28,635)
Interest and commissions of bank loans	(17,902)	(9,927)
Amortization of corporate bond issuance costs	(1,243)	(726)
Others	(3,508)	(1,970)
Interest expenses	(49,965)	(41,258)
Unwinding discount of the non-controlling interest payable account, see note 17(c)	(2,067)	(673)
Unwinding discount of the provisions for the closure of mining units, see note 19(a)	(1,304)	(1,948)
Total	(53,336)	(43,879)

30. Earnings per share (EPS)

The basic and diluted earnings per share are calculating dividing the net income for the year by the weighted average number of outstanding shares during the year.

The calculation of the earnings per share is presented below:

	2018 US$	2017 US$ Restated
Numerator -		
Net income attributable to the owners of the Parent Company	112,126,000	79,143,000
	Number of stockshare	**Number of stockshare**
Denominator -		
Common stockshares, note 21(a)	19,220,015	19,220,015
Investment shares, note 21(b)	960,999,163	960,999,163
Profit per share		
Basic and diluted - US$ per common share	3.889	2.790
Basic and diluted - US$ per invesment share	0.039	0.030

The basic and diluted earnings per share are the same since there are no dilutive financial instruments over the profits.

There have not been other transactions involving common shares and investment shares between the reporting date and the closing date of these consolidated financial statements.

31. Related parties transactions

(a) Receivables and Payables -

The balances of the receivable and payable with related parties as of December 31, 2018 and 2017 follow:

	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Clasification by existing captions:			
Other receivables (current), note 7(a)			
Other related parties			
Rímac Seguros y Reaseguros	842	1,002	-
Compañía Minera Raura S.A.	460	1,968	204
Administración de Empresas S.A.	303	246	93
Exsa S.A.	16	-	-
Clinica Internacional S.A.	12	-	-
Other	-	52	7
	1,633	3,268	304
Trade payable and others (current), note 17(a)			
Associates			
Exsa S.A.	2,153	855	1,123
	2,153	855	1,123
Other related parties			
Rímac Seguros y Reaseguros	4,630	2	40
Administración de Empresas S.A.	4,175	5,782	8,570
Clínica Internacional. S.A.	384	380	182
Rímac S.A. Entidad prestadora de salud	187	158	15
Inversiones San Borja S.A.	65	242	176
Compañía Minera Raura S.A.	32	32	-
Inversiones Nacionales de Turismo S.A.	28	37	11
Corporación Breca S.A.C.	18	-	-
Corporación Peruana de Productos Químicos S.A.	9	-	9
Centría Servicios Administrativos S.A.	1	24	18
Bodegas Viña de Oro	1	1	1
Estratégica S.A.C.	-	28	-
Protección Personal S.A.	-	24	19
Urbanizadora Jardín S.A.	-	-	10
	9,530	6,710	9,051
	11,683	7,565	10,174

	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Financial obligations			
Other related parties, note 18(h)			
Inversiones San Borja S.A.	4,196	3,018	6,303
Administración de Empresas S.A.	6,225	4,625	5,017
	10,421	7,643	11,320
	22,104	15,208	21,494
By nature:			
Trade, note 17(a)	11,683	6,637	9,693
Others, note 17(a)	-	928	481
Financial obligations, note 18(h)	10,421	7,643	11,320
	22,104	15,208	21,494

There have been no guarantees provided or received for any related party receivables or payables. For the year ended December 31, 2018, the Group has not recorded any impairment of receivables related to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Balances payable to related companies are current maturities, interest free and have no specific guarantees.

(b) Main transactions -

The main transactions occurred during the years 2018 and 2017 were the following:

	2018 US$(000)	2017 US$(000) Restated
Associates		
Exsa S.A. - Purchase of explosives and others suppliers, note 24	6,015	6,598
Other related parties		
Administración de Empresas S.A. (AESA) - Mining services, notes 24 and 27	25,041	31,603
Rímac Seguros y Reaseguros – Insurance coverage services	12,542	3,533

Transactions with related parties are made at terms equivalent to those prevail in arm’s length transactions.

(c) Remunerations -

The compensation received by key personnel of the Group for the years ended December 31, 2018 and 2017 has been recognized as an expense in the consolidated statement of profit or loss and there are as follows:

	2018 US$(000)	2017 US$(000) Restated
Peru		
Salaries	17,718	12,735
Board remuneration	378	402
	18,096	13,137
Brazil		
Fixed remuneration	1,248	1,314
Variable remuneration	743	514
	1,991	1,828
Total	20,087	14,965

The Group does not remunerate Management with post-employment benefits, termination of contract, or share-based payments.

32. Commitments

(a) Environmental Impact Study (EIA)

According to Supreme Decree 016-93-EM, effective since 1993, all mining companies must file an EIA before the Ministry of Energy and Mines (MEM). EIAs are prepared by environmental consultants registered before MEM. EIAs consider all the environmental controls that all mining entities will implement during the life of the mining units. All mining units of the Group have an approved EIA for their activities.

(b) Law of Mine Closure in Peru –

On October 14, 2004, the Peruvian government enacted the Law No.28090 which purpose is to regulate the obligations and procedures that mining companies should comply for the elaboration, filling and implementation of the Mine Closure Plan, as well as to require the establishment of environmental guarantees to secure fulfillment of related mine closure plan. The corresponding ruling was approved on August 15, 2005 by means of Supreme Decree No.033-2005-EM.

Minsur S.A.
As of December 31, 2018, the provision for mine closure of the San Rafael, Pucamarca and Pisco units amounts to US$59,962,000 (US$62,482,000 as of December 31, 2017). See movement of this provision in note 19(b).

Compañía Minera Barbastro S.A.C.
As of December 31, 2018, the provision for mine closure of the Marta unit amounts to US$2,706,000 equivalent to S/9,144,000, (US$193,000, equivalent to S/627,000 as of December 31, 2017).

Mineração Taboca S.A.
According to environmental regulations in Brazil, Taboca has recognized a provision for mine closure of the mining unit of Pitinga and Pirapora for US$46,291,000 as of December 31, 2018 (US$52,936,000 as of December 31, 2017). See movement of this provision in note 19(b).

Environmental remediation
Marcobre S.A.
As of December 31, 2018, the Mina Justa project is in the exploration and construction (in feasibility stage as of December 31, 2017), so the subsidiary submitted to the General Directorate of Mining Environmental Affairs a closure plan for their exploration activities, which was approved through Directorial Resolution Nro.325-2013/MEM/AAM on September 3, 2013. In relation to this closure plan, as of December 31, 2018 and 2017, the Company has a liability for environmental restoration of US$713,000 and US$1,210,000, respectively.

The subsidiary presented a Mine Closure Plan for its Mina Justa project, which was approved by the General Directorate of Mining Environmental Affairs through Directorial Resolution No.018-2012-MEM/DGAAM on April 11, 2012. This closure plan of mine covers activities of progressive and final closure of a mine in production, reason why this plan constitutes a future commitment of Marcobre that amounts to a nominal value of US$29,525,000, which will become an obligation when the Company starts the activities that have an impact on the current conditions of the concessions.

Minera Sillustani S.A.C.
The subsidiary has a Closure Plan for Environmental Liabilities approved by the Ministry of Energy and Mines (MINEM) through Directorial Resolution No. 154-2009-MEM of June 10, 2009, as well as a modification of its schedule, approved by means of Directorial Resolution No. 354-2010-MEM/AAM on November 2, 2010. The plan for closing the environmental liabilities of the Regina Mine is oriented to propose the pertinent measures for the remediation of the liabilities that are part of the project.

The closure plan for mining environmental liabilities of the subsidiary has been prepared in compliance with Law N ° 28271 "Law Regulating the Environmental Liabilities of Mining Activity" modified by Law N ° 28526, and its regulation, Supreme Decree N ° 059-2005-EM, modified by Supreme Decree N ° 003-2009-EM. Likewise, it has been developed taking into account the Guide for the Preparation of Mining Environmental Liabilities of the MINEM.

In compliance with this obligation, on December 29, 2016, the Company presented to the Ministry of Energy and Mines, the Closure Plan of the environmental liability of the Regina Mine, which was subscribed in Directorial Resolution No. 117-2017-MEM-DGAAM of April 17, 2017.

As of December 31, 2018, the provision for mine closure amounts to US$7,296,000 equivalent to S/24,655,000 (US$10,794,000 equivalent to S/35,026,000 as of December 31, 2017)

(c) Community Support Agreement –
Minera Barbastro S.A.C.
On November 28, 2008, the subsidiary committed itself to the Rural Community of Tinyacclla, to carry out social and/or sustainable development works during the period in which it conducts its exploration and exploitation activities on the lands of the Community, on the basis of the following budget:

(i) From the first to the fifth year: US$19,000 per year.
(ii) From the sixth to the tenth year: US$23,000 per year.
(iii) From the eleventh to the fifteenth year: US$29,000 per year.
(iv) From the sixteenth to the twentieth year: US$36,000 per year.
(v) From the twenty-first to the twenty-fifth year: US$45,000 per year.

As of December 31, 2018, the subsidiary has made disbursements for an amount of US$32,000 equivalent to S/108,000 (US$32,000 equivalent to S/104,000 as of December 31, 2017). The subsidiary has constituted a provision for this obligation of US$675,000 equivalent to S/2,183,000 (US$675,000 equivalent to S/2,191,000 as of December 31, 2017) that was recorded in the caption "Provisions".

Minera Sillustani S.A.C.
On September 17, 2009, the subsidiary committed itself to the Rural Community of Rio de la Virgen to carry out social and/or sustainable development works during the period in which it conducts its exploration and exploitation activities on the lands of the Community, on the basis of the following budget:

(i) From the first to the fifth year: US$17,000 per year.
(ii) From the sixth to the tenth year: US$21,000 per year.
(iii) From the eleventh to the fifteenth year: US$26,000 per year.

On June 18, 2013, the subsidiary committed itself to the Peña Azul Rural Community, to carry out social and/or sustainable development works during the period in which it conducts its exploration and exploitation activities on the lands of the Community, on the basis of the following budget:

(iv) From the first to the fifth year: US$36,000 per year.
(v) From the sixth to the tenth year: US$43,200 per year.
(vi) From the eleventh to the fifteenth year: US$51,840 per year.
(vii) From the sixteenth to the twentieth year: US$62,208 per year.

Both Agreements contemplate the creation of a "social management committee" in charge of: (i) determining the sustainable development works to be developed in the calendar year, (ii) prepare the budget and (iii) prepare the disbursement schedule.

(d) Commitment of capital expenditures -
The capital expense that will be paid in the future, agreed on the date of the consolidated statement of financial position but not recognized in the consolidated statement of financial position is as follows:

	2018 US$(000)	2017 US$(000) Restated
Property, plant and equipment, net	688,082	7,513

(e) Guarantee -
The subsidiary Marcobre has obtained financing of US$900,000,000 for the development and construction of the Mina Justa project, which is guaranteed by its shareholders Minsur S.A. e Inversiones Alxar S.A. Until December 31, 2018, the subsidiary has received disbursements of US$72,000,000.

As of December 31, 2018, the Taboca subsidiary does not have any commitments assumed in relation to commercial transactions, nor does it have any guarantees, warranties or guarantees granted to financial institutions, with the exception of exchange contract advances (ACC), US$20,363,000 equivalent to R$79,000,000 (US$664,000 equivalent to R$220,0000 as of December 31, 2017) and the export prepayment (PPE) for the amount of US$104,653,000 equivalent to R$406,000,000 (US$75,000 equivalent to R$248,000 as of December 31, 2017), with original maturity scheduled for October 2023.

33. Contingencies

Peruvian entities -

(a) As a result of the tax reviews made to the years from 2000 to 2010, the Group has received tax assessments by omissions to the Income Tax and Value Added Tax by S/49,673,000 (equivalent to US$14,701,000). In all these cases, the Group has appealed since it considers that they are not in compliance with the current Peruvian tax regulations. As of today, these appeals are pending of resolution. Management and its legal advisors estimate that this appeal will be favorable resolved in the interests of the Group.

On the other hand, in the past the Group decided to make, under protest, several payments assessed by the tax authorities, without prejudice of exercising its right of claim to SUNAT or appeal to the Tax Court, depending of the circumstance. As of December 31, 2018, the accumulated payments under protest amounted to US$6,656,000 (US$18,517,000 as of December 31, 2017). The Group will recognize these contingencies when its collection will be virtually certain.

During 2017, the Group recovered a total of US$7,477,000 from the payment under protest related to the claims before the SUNAT for processes related to the income tax of the years 2000 and 2001 and for processes related to the value added tax of the year 2005 when obtaining a favorable result before the Tax Court. The total recoverable amount includes interest and commissions for US$3,425,000 that have been recorded under "Financial income" in the consolidated statement of profit or loss.

(b) During 2018, with respect to the appeal filed by the Company to the tax authorities for the fiscal year 2002, the Tax Court notified Resolution N°. 04937-9-2018, by which on October 5, 2018 issued the resolutions of Intendency N° 012-180-0017562 and 012-180-0017563, which ordered the refund of S/202,018,000 (equivalent to US$61,181,000) and S/48,417,000 (equivalent to US$14,663,000), respectively; the amount of S/142,326,000 (equivalent to US$43,103,000) corresponded to interests that were recognized as financial income, see note 29, and the balance of S/108,109,000 (equivalent to US$32,741,000) was recognized as a lower income tax expense, see note 20(b).

In addition, the Company has recognized in its consolidated statement of profit or loss other tax refunds related to VAT and income tax amounting to S/55,779,000 (equivalent to US$16,736,000), from which S/44,638,000 (equivalent to US$13,375,000) corresponded to interest, see note 29, S/6,844,000 (equivalent to US$2,053,000) corresponded to VAT and fines which were recognized as other income, see note 28, and the balance of S/4,297,000 (equivalent to US$1,277,000) was recognized as a lower income tax expense, see note 20(b).

(c) Sanctioning administrative processes -
During year 2018, and prior years, the Group has received some notifications from the Agency for Assessment and Environmental Control ("OEFA" for its acronym in Spanish), Ministry of Production ("PRODUCE" for its acronym in spanish) and Supervisor Organization of Investment in Energy and Mining ("OSINERGMIN" for its acronym in Spanish), respectively. Such notifications are related to breaches of the procedures for the protection and conservation of the environment and the rules of mining health and safety. As of December 31, 2018 and 2017, the administrative sanctions from OEFA, PRODUCE and OSINERGMIN amounted to 336 tax units – TU, equivalent to US$469,000 as of December 31, 2018 (1,643 tax units – TU, equivalent to US$1,925,000 as of December 31, 2017). In relation to these notifications, the Group has appealed these sanctions, being currently pending of resolution by OEFA, PRODUCE and OSINERGMIN.

Management and its legal counsels have analyzed these processes and they have estimated a probable contingency of US$335,000 (US$1,925,000 as of December 31, 2017), which is presented under "Provisions" in the Consolidated statements of financial situation (refer to note 19(d)).

Brazilian entities -
Mineração Taboca S.A. and its subsidiary have tax, labor, and other contingencies which are classified as possible. The main possible contingencies are detailed bellow:

(a) Lawsuit with Banco Santos
Mamoré, the subsidiary of Taboca, is involved in five lawsuits initiated by Banco Santos, Fund Basa de Investimento Financiero and Mellon Aroveredo Fundo de Investimento Multimercado Previdenciario (Mellon Aroveredo) in relation to an alleged failure to pay credit agreements originally signed with Banco Santos during the years 2005 to 2007. These five claims include three lawsuits in which it is jointly involved with Mamoré, the former parent company Paranapanema. Of all these claims, in the opinion of the Group's and Management's legal advisors have a risk of loss classified as possible and amount to approximately R$104,416,000 (equivalent to approximately US$26,914,000), R$100,935,000 (equivalent to US$30,484,000 as of December 31, 2017).

(b) Civil, Labor and tax proceedings -
Taboca and its subsidiaries have civil, labor and tax processes that involve risk of potential losses according to the assessment made by management and its legal counsel, consequently for those possible contingencies were not made any provision which amount to R$9,029,000 R$4,213,000 and R$177,307,000, respectively (equivalent to approximately US$2,327,000, US$1,086,000 and US$45,704,000) as of December 31, 2018, (R$6,273,000, R$7,888,000 and R$23,611,000, respectively (equivalent to approximately US$1,894,000, US$2,382,000 and US$2,154,000) as of December 31, 2017).

As of December 31, 2018, in opinion of management and its external legal counsel, the resolution of tax, labor, civil and other contingencies, classified as possible contingencies would not result in additional liabilities to those already recorded by the Group.

34. Segment information

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

- Production and marketing of tin extracted from Peru.
- Production and marketing of tin extracted from Brazil.
- Production and marketing of gold extracted from Peru.
- Other mining exploration activities in Peru and Chile.

No operating segments have been aggregated to form the above reportable operating segments.

See note 23 of the consolidated financial statements for more information about the main clients

All the non-current assets are located in Perú, Brazil and Chile.

Management monitors the profit (loss) before tax for each business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit (loss) before income tax and is measured consistently with income (loss) in the consolidated statements of profit or loss.

	Tin and gold (Perú)							
	Tin (Perú) US$(000)	Gold (Perú) US$(000)	Other non-allocable (Perú) US$(000)	Total (Perú) US$(000)	Tin (Brazil) US$(000)	Mining exploration (Perú y Chile) US$(000)	Adjustments and eliminations US$(000)	Total Consolidated US$(000)
Year 2018								
Results:								
Net sales from third parties	360,577	130,870	-	491,447	202,326	-	-	693,773
Cost of sales	(172,592)	(71,714)	-	(244,306)	(164,059)	-	(6,274)	(414,639)
Administrative expenses	(24,680)	(10,255)	-	(34,935)	(14,688)	(285)	(1,252)	(51,160)
Selling expenses	(2,665)	(1,107)	-	(3,772)	(860)	-	-	(4,632)
Exploration and evaluation expenses	(19,383)	(8,054)	-	(27,437)	(35)	(10,036)	-	(37,508)
Other expenses, net	-	-	(6,007)	(6,007)	690	(11,679)	(2,346)	(19,342)
Operating income	141,257	39,740	(6,007)	174,990	23,374	(22,000)	(9,872)	166,492
Profit before income tax	-	-	164,362	164,362	510	(25,660)	33,475	172,687
Income tax	-	-	(20,247)	(20,247)	(3,140)	(11,604)	(29,517)	(64,508)
Net profit	-	-	144,115	144,115	(2,630)	(37,264)	3,958	108,179
Assets:								
Cash and cash equivalents	-	-	200,147	200,147	3,463	48,307	-	251,917
Other financial assets	-	-	309,678	309,678	-	-	-	309,678
Inventory, net	51,971	21,781	-	73,752	39,024	3,400		116,176
Current assets	106,683	21,781	678,910	807,374	58,442	79,046	(2,056)	942,806
Property, plant and equipment and intangibles, net	264,618	140,152	6,820	411,590	217,844	685,110	(1,955)	1,312,589
Total assets	371,301	161,933	1,418,918	1,952,152	638,440	902,753	(685,550)	2,807,795
Liabilities:								
Financial obligations	-	-	461,899	461,899	146,063	73,042	-	681,004
Current liabilities	8,828	-	123,862	132,690	74,370	131,564	(3,978)	334,646
Total liabilities	47,833	20,217	580,241	648,291	304,891	327,670	(11,380)	1,269,472
Other disclosures:								
Additions of fixed assets, intangibles	116,129	29,738	460	146,327	32,009	286,708	-	465,044
Depreciation and amortization (included in costs and expenses)	29,358	38,114	-	67,472	30,213	2,592	-	100,277
Operating activities	-	-	213,616	213,616	51,750	(21,787)		243,579
Investing activities	-	-	(55,384)	(55,384)	(22,674)	(210,720)		(288,778)

	Tin and Gold (Perú)							
	Tin (Perú) US$(000)	Gold (Perú) US$(000)	Other non-allocable (Perú) US$(000)	Total (Perú) US$(000)	Tin (Brasil) US$(000)	Mining exploration (Perú y Chile) US$(000)	Adjustments and eliminations US$(000)	Total Consolidated US$(000)
Year 2017 (Restated)								
Results:								
Net sales from third parties	369,978	119,093	-	489,071	183,053	-	-	672,124
Cost of sales	(169,884)	(66,571)	-	(236,455)	(179,246)	-	-	(415,701)
Administrative expenses	(22,755)	(8,980)	-	(31,735)	(12,436)	(1,432)	231	(45,372)
Selling expenses	(2,002)	(1,148)	-	(3,150)	(759)	-	(34)	(3,943)
Exploration and evaluation expenses	(18,938)	(7,898)	-	(26,836)	-	(10,967)	-	(37,803)
Reversal (loss) impairment	-	-	-	-	(148,555)	121,395	-	(27,160)
Other expenses, net	(6,947)	(2,732)	21,254	11,575	(2,480)	7,728	(597)	16,226
Operating income (loss)	149,452	31,764	21,254	202,470	(160,423)	116,724	(400)	158,371
Profit (loss) before income tax	-	-	143,231	143,231	(170,954)	168,108	1,419	141,804
Income tax	-	-	(64,088)	(64,088)	28,359	(26,932)	-	(62,661)
Profit (loss), net	-	-	79,143	79,143	(142,595)	141,176	1,419	79,143
Assets:								
Cash and cash equivalents	-	-	202,882	202,882	1,158	36,440	1	240,481
Other financial assets	-	-	160,444	160,444	-	-	-	160,444
Inventory, net	46,521	19,388	-	65,909	43,998	171	-	110,078
Current assets	101,249	19,388	412,223	532,860	90,457	37,852	(411)	660,758
Property, plant and equipment and intangibles, net	196,613	148,293	-	344,906	187,398	468,056	6,023	1,006,383
Total assets	299,810	167,681	1,371,271	1,838,762	422,957	29,263	10,188	2,301,170
Liabilities:								
Financial obligations	-	-	453,025	453,025	158,381	4,346	1	615,753
Current liabilities	12,810	362	110,488	123,660	104,312	32,743	(411)	260,304
Total liabilities	56,258	20,619	551,321	628,198	332,256	130,392	(410)	1,090,436
Other disclosures:								
Additions of fixed assets, intangibles	66,713	18,642	-	85,355	58,276	61,849	-	205,480
Depreciation and amortization (included in costs and expenses)	27,516	29,112	-	56,628	29,607	2,139	-	88,374
Operating activities	-	-	151,586	151,586	(31,420)	30,593	-	150,759
Investing activities	-	-	(140,021)	(140,021)	(81,490)	69,592	-	(151,919)

Geographic information

The following table presents net sales of tin, other minerals and gold by geographic region:

	2018 US$(000)	2017 US$(000) Restated
Tin and other minerals		
Europe	255,642	248,065
America	184,720	183,864
Asia	91,400	73,737
Brazil	27,054	41,946
Peru	3,629	5,259
Gold		
United states	130,870	97,819
Europe	-	21,274
	693,315	671,964
Loss of derivate financial instruments	458	160
	693,773	672,124

35. Financial instrument risk management, objectives and policies

35.1. Financial risk factors -

The Group's main financial liabilities, other than derivatives, comprise financial liabilities, trade payables and other payables. The main purpose of the financial liabilities is to finance the Group's operations. The Group's main financial assets include cash and term deposits and trade and other receivables that derive directly from its operations. The Group also holds financial assets at fair value through OCI and financial assets at fair value through profit or loss.

The Group's activities are exposed to different financial risks: market risks (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's financial risk management program focuses on mitigating potential adverse effects on its financial performance of the Group.

Risk management is carried out by the Chief Financial Officer which follows the policies approved by the Board of Directors.

(i) Market risks-

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices involve three types of risk: the risk of exchange rate, the interest rate risk and price risk. Financial instruments affected by market risk include bank deposits and time deposits, receivables and payables in currencies other than US dollar, financial asset at fair value, financial derivative instruments and borrowings.

Sensitivity analyzes included in the following sections relate to the financial position as of December 31, 2018 and 2017.

This sensitivity analyzes have been prepared on the basis that the amount of debt, the ratio of fixed-to-floating interest rates and the proportion of financial instruments in foreign currencies are all constants to December 31, 2018 and 2017.

Foreign currency risk –

The Group operates internationally and its exposure to exchange risk results from its operations carried out in currencies other than its functional currency. The transactions of the Group are mainly settled in U.S. dollars, Brazilian reales and Soles. Although to a lesser extent, the Group also has operations in other currencies such as Chilean pesos. As a result, the Group is exposed to the foreign exchange risk fluctuation.

Management assumes the foreign currency risk from operations; that is, therefore, the Group does not hedge transactions with derivative financial instruments to hedge its foreign currency risk.

The following table shows the sensitivity in the results of the Group in the years 2018 and 2017 if the brasilean Reais and Peruvian Sol had revalued/devalued 10 percent with respect to US dollar.

Year	**Revaluation/ devaluation in the exchange rate**	**Effect on profit before income tax** US$(000)
2018	10%	2,563
	-10%	(2,563)
2017 (Restated)	10%	2,258
	-10%	(2,258)

Interest rate risk –
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market interest rates.

As of December 31, 2018 and 2017, the corporate bonds of the Group have a fixed effective interest rate. Likewise, during the month of December 2018, the subsidiary Marcobre subscribed variable rate loans to mitigate the risk of variation of the interest rate, in this respect the Group has subscribed derivative financial instruments see note 36, consequently, the Management has evaluated that it is not relevant to carry out an analysis of sensitivity to changes in interest rates.

Price risk –
Investments:
The Group is exposed to the risk of fluctuation in the prices of its investments maintained and classified in its consolidated statement of financial position at fair value through profit and loss and financial assets through OCI. The Management diversifies its investment portfolio in order to reduce its exposure to price risk. The diversification of the portfolio is carried out in accordance with the limits established by Management.

As of December 31, 2018, the Group does not hold balances in financial assets at fair value through profit or loss.

The following table shows the sensitivity in the results of the Group in the years 2018 and 2017 if the price of the financial instruments listed in the market had increased/reduced 10 percent and the rest of the variables had remained constant:

Year	**Increase/decrease of price**	**Effect on profit (loss) before income tax** US$(000)
2017	10%	13,171
	-10%	(13,171)

Changes risk in mineral prices –
The international tin price has a significant impact on the results of operations of the Group. These tin and gold prices historically have fluctuated and are influenced by factors beyond the control. The Group manages its price risk primarily through the use of sales commitments under customer contracts and underwriting derivative contracts for the metals it markets.

The Group has price risk from its sales contracts established at provisional prices, subject to a future price in a given month, based mainly on the average monthly price in the LME. To the extent that the final price are higher or lower initially provisionally recorded, the increase or decrease in income is recorded at each date of the financial report until the date of the final settlement.

The subsidiary Mineração Taboca entered into derivative contracts that qualify as cash flow hedges, with the intention of covering the risk resulting from the fall in prices of tin and gold. These derivative contracts were recorded as assets or liabilities in the statement of financial position, and are presented at fair value. To the extent that these hedges were effective to offset future cash flows from the sale of related production, changes in fair value were deferred in an equity account. Deferred amounts were reclassified to sales when the corresponding production was sold.

As of December 31, 2018, as a result of having carried out such hedging transactions, the Group has recognized an account receivable for R/.75,654,000 (R/.89,020,000 as of December 31, 2017) and an account payable for R/.145,681,000 (R/.59,400,000 as of December 31, 2017).

The table below summarizes the impact of changes in prices of tin in profit before income tax. This analysis is based on the assumption that the price of tin has increased or decreased by 10 percent, while all other variables are held constant. Positive scenario for 2018 was considered an average price of US$/MT 21,993; while for the negative scenario was considered an average price of US$/MT 17,994.

In the case of gold sales, these are made at market prices on the date of delivery, which are not subject to provisional pricing, or price risk associated with it.

Year	**Increase/decrease of internation tin quotation**	**Effect on profit before income tax** US$(000)
2018	10%	3,686
	-10%	(3,686)
2017 (Restated)	10%	1,941
	-10%	(1,941)

(ii) Credit risk -

The Group's financial assets potentially exposed to credit risk concentrations are mainly bank deposits and trade receivables. With regard to bank deposits, the Group reduces the probability of significant credit risk because its deposits are held in first class financial institutions, and limits the amount of exposure to credit risk in any financial institutions.

With regard to trade receivables, there are no significant concentrations since the Group has established policies to ensure that the sale of its production is made to clients with an adequate credit history. The maximum exposure to credit risk of the consolidated statement of financial position as of December 31, 2018 and 2017 is given by the balance of the captions cash and cash equivalents, trade and other receivables.

Financial instruments and bank deposits -

The credit risk in bank balances is managed by the Chief Financial Officer in accordance with Group policies. The counterparty credit limits are reviewed by Management and the Board. The limits are established to minimize the risk concentration and therefore mitigate financial losses from potential default of the counterparty.

Changes in liabilities of financing activities -

Below we present the reconciliation of the movements in the financial obligations and the financing:

	As of January 1, 2018 US$(000)	Cash flow US$(000)	Adittions US$(000)	Translation US$(000)	Other US$(000)	As of December 31, 2018 US$(000)
Corporate bonds	440,833	-	-	-	1,242	442,075
Bank loans	145,529	(97,207)	151,086	(1,862)	-	197,546
Leasses	25,619	(16,641)	25,722	-	(2,197)	32,503
Others financial obligations	3,772	-	-	-	5,108	8,880
Total liabilities for financing activities	615,753	(113,848)	176,808	(1,862)	4,153	681,004

	As of January 1, 2017 US$(000) Restated	Cash flow US$(000)	Adittions US$(000)	Translation US$(000)	Other US$(000)	As of December 31, 2017 US$(000) Restated
Corporate bonds	440,106	-	-	-	727	440,833
Bank loans	111,405	(166,671)	214,056	(12,534)	(727)	145,529
Leasses	25,246	(15,943)	16,280	-	36	25,619
Others financial obligations	-	-	-	-	3,772	3,772
Total liabilities for financing activities	576,757	(182,614)	230,336	(12,534)	3,808	615,753

As of December 31, 2018 and 2017 the item "Others" includes: the effect of the reclassification of the non-current portion of interest-bearing financial obligations.

Trade accounts receivable -

The credit risk of the clients is managed by the Management, subject to duly established policies, procedures and controls. The outstanding balances of accounts receivable are periodically reviewed to ensure their recovery. The Group's tin and gold sales are made to foreign customers located mainly in Europe and the United States, respectively. And due that does not have significant sales concentration (see note 23) if has limited credit risk exposition.

Others accounts receivable -

Accounts receivable other than the tax credit for value added tax and other tax credits correspond to outstanding balances for items that are not related to the Group's main operating activities. The Group' Management continuously monitors the credit risk of these items and periodically evaluates those debts that show impairment to determine the provision required for uncollectibility.

(iii) Liquidity risk –

The prudent management of liquidity risk involves maintaining sufficient cash and cash equivalents, the availability of financing through an adequate number of committed sources of financing and the ability to close market positions. In this sense, the Group does not have significant liquidity risks since historically the cash flows of its operations have allowed it to maintain sufficient cash to meet its obligations.

The Group permanently monitors liquidity reserves based on the analysis of its working capital (liquidity ratio) and projections of its cash flows that take into consideration the future prices of the products it commercializes and the costs necessary for its production and sale.

The following table shows the maturities of liabilities in the consolidated statement of financial position as of December 31, 2018 and 2017:

	On demand US$(000)	Due in minus than 1 year US$(000)	Due within 1 to 5 years US$(000)	Due in more than 5 years US$(000)	Total US$(000)
As of December 31, 2018					
Financial obligations:					
Principal	-	19,850	176,873	449,061	645,784
Leases		14,734	19,059	1,427	35,220
Future interest	-	36,686	139,707	13,103	189,496
Others financial obligations	-	8,207	-	-	8,207
Trade and other payables	-	221,971	13,463	23,041	258,475
Total	-	301,448	349,102	486,632	1,137,182
As of December 31, 2017 (Restated)					
Financial obligations:					
Principal	-	66,110	70,252	450,000	586,362
Leases		14,289	15,102	-	29,391
Future interest	-	28,124	140,627	15,563	184,314
Others financial obligations	-	3,772	-	-	3,772
Trade and other payables	-	114,315	15,208	16,433	145,956
Total	-	226,610	241,189	481,996	949,795

35.2. Capital risk management –

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns to its shareholders, benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The policy of the Group consists on financing all its projects with a conservative mix of own cash resources and debt. With this objective the Group' Management use to make capital contributions and/or loans to its subsidiaries in Peru, Chile and Brazil, the additional needs are covered by bank loans. In order to achieve this, the Group periodically capitalizes its earnings and if necessary adjusts the amount of the dividends payable to its shareholders. There were no changes in the Group's objectives, policies and procedures during the year ended December 31, 2018.

36. Financial derivative instruments

(a) Given that interest payments on loans obtained by the Group (see note 18) are subject to variations due to being indexed at a variable interest rate, the Group decided to take a hedging strategy called bottom layer hedge or layered hedging strategy, by which it prospectively covers the Group's cash flows, which qualify as highly probable forecast transactions, with three different tranches (with swaps and caps options) distributed as follows:

- Tranch 1: From December 31, 2018 to June 30, 2021, it covers 50% with a swap and 20% with the cap N° 1.
- Tranch 2: Between June 30, 2021 and June 30, 2023, cover 35% with a swap and 45% with the cap N° 1.
- Tranch 3: After June 2023 until December 31, 2025 covers 80% with the cap N° 2.

(b) These "Cap interest rate" and "Interest rate swap" contracts were subscribed for a maximum amount of US$720,000,000, which covers 80% of the subsidiary Marcobre's loan.

The total cost of the premiums for the Cap N° 1 and Cap N° 2 options was US$3,964,000, which will be accrued during the term of the options (see note 7). The payment of the option premium was financed within 4 years (see note 17).

Entity	**Value Reference (maximum)**	**Agreed rate**
	US$(000)	%
Natixis bank		
Interest Rate Swap	450,000	2.866%
Societe Generale bank		
Interest Rate Cap N°1	405,000	3.332%
Interest Rate Cap N°2	208,526	3.362%

		Hedged value	
		2018	2017
		US$(000)	US$(000)
			Restated
Cash flow hedge -			
Interest rate swap (e)	From December 2018 to June 2023	30,500	-
Cap 1 – Interest rate (e)	From December 2018 to June 2023	21,457	-
Cap 2 – interest rate (e)	From June 2023 to September 2025	7,844	-
Total		59,801	-

(c) As of December 31, 2018, the Group has recognized an account payable for the fair value of derivative financial instruments in the amount of US$9,190,00, whose impact on other comprehensive income was as follows:

	Effect on other comprehensive income Income (expense) US$(000)
Derivatives of interest rates -	
Interest rate swap	4,247
Cap 1 – Interest rate	3,203
Cap 2 – interest rate	1,740
	9,190
(-) Deferred income tax	(2,389)
Net effect	6,801

(d) The subsidiary Taboca maintains derivative financial instruments, exchange rate swaps, Zero Cost Collar of exchange rate and NDF (Non Deliverable Forward) with the objective of protecting and managing the risks inherent in the variation of foreign currency (dollar in the case of Taboca) and prices of tin commodities. These operations aim to reduce the exchange exposure and the significant changes in the prices of raw materials. As of December 31, 2018, the net fair value of these derivatives amounts to US$4,379,000 equivalent to R$16,990,000 and US$160,0000 equivalent to R$531,000 as of December 31, 2017.

37. Financial asset and financial liabilities

(a) Financial assets and liabilities –

	2018	2017
	US$(000)	US$(000)
		Restated
Financial assets at fair value		
Financial assets at fair value through profit or loss	-	131,713
Total assets at fair value through profit or loss, note 10	-	131,713
Financial assets at fair value through OCI:		
Certificates and commercial papers	100,162	-
Mutual funds with public quotation	25,416	37,117
Government Investment certificates	-	2,935
Financial assets at fair value through OCI, note 9	125,578	40,052

Financial assets –
Financial instruments at fair value through profit or loss and the financial instruments at fair value through OCI reflect fair value of the assets.

Except financial instruments at fair value through profit or loss and financial instruments at fair value through OCI, all financial assets of the Group which included cash and cash equivalents and trade and other receivables are classified in the category of loans and receivables are held to maturity and generate revenue for fixed or variable interest. The carrying value may be affected by changes in the credit risk of the counterparties.

Financial liabilities -
All financial liabilities of the Group, excepting the embedded derivative from tin sales, include trade and other payables and Senior Notes which are classified as loans and borrowings and are carried at amortized cost.

(b) Fair values -
The fair value of the financial instruments is defined by the at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under the assumption that the entity is a going concern.

The following methods and assumptions were used to estimate the fair values:

Financial instruments whose fair value is similar to the carrying book value -
For financial assets and liabilities that are liquid or have short maturities (less than three months), as cash and cash equivalents, trade and other receivables, net trade and other accounts payable and other current liabilities are considers that the carrying value is similar to fair value.

Financial instruments at fixed and variable rate -
The fair value of financial assets and liabilities that are subject to fixed and variable rates is determined by comparing the interest rates at inception with the current market interest rates for similar instruments. The fair value of deposits that yield interest are determined by using the discounted cash flows method by using market interest rates in the prevalent currency, and similar maturities and credit risks.

Based on the above, a comparison between the carrying amounts and fair values of financial instruments of the Group presented in the consolidated statement of financial position is established. The table does not include the fair values of non-financial assets and liabilities:

Notes to the consolidated financial statements (continued)

	Carrying book value			Fair value		
	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated	2018 US$(000)	2017 US$(000) Restated	1.01.2017 US$(000) Restated
Financial assets						
Cash and cash equivalents	251,917	240,481	272,357	251,917	240,481	272,357
Trade and other receivables, net	92,948	90,374	95,152	92,948	90,374	95,152
Derivative financial instruments	3,051	315	394	3,051	315	394
Financial assets at fair value through profit or loss	-	131,713	128,810	-	131,713	128,810
Financial assets at fair value through OCI	125,578	40,052	42,962	125,578	40,052	42,962
Total financial assets	473,494	502,935	539,675	473,494	502,935	539,675
Financial liabilities						
Financial obligations:						
Corporate bonds	442,075	440,833	440,106	474,696	331,422	316,500
Leasses	32,502	25,619	25,246	32,502	25,619	25,246
Other financial obligations	206,427	149,301	111,405	206,427	149,301	111,405
Trade and other payables, net	258,475	145,956	143,285	258,475	145,956	143,285
Derivative financial instruments	15,962	476	5,487	15,962	476	5,487
Total financial liabilities	955,441	762,185	725,529	988,062	652,774	601,923

(c) Fair value measurement

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each Consolidated Financial Statements.

The following table provides the fair value measurement hierarchy of the Group´s assets and liabilities as of December 31, 2018:

		Measurement at fair value using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	US$(000)	US$(000)	US$(000)	US$(000)
As of December 31, 2018				
Assets measured at fair value:				
Financial assets at fair value through OCI	125,578	125,578	-	-

During the year ended December 31, 2018 there have been no transfers between levels of fair value.

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as of December 31, 2017 –

		Measurement at fair value using		
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	US$(000)	US$(000)	US$(000)	US$(000)
As of December 31, 2017 (Restated)				
Financial assets at fair value through OCI	37,117	-	37,117	-
Financial assets at fair value through profit or loss	128,810	128,810	-	-
Mutual funds with public	2,935	-	2,935	-

During the year ended December 31, 2017 there have been no transfers between levels of fair value.

38. Subsequent events

On February 21, the Board of Directors agreed on the distribution of cash dividends among common and investment shareholders amounting to US$66,000,000 corresponding to the retained earnings of 2011. Additionally, on that same date, the Board of Directors agreed to make a capital contribution for the amount of US$10,090,000 to its subsidiary Cumbres del Sur S.A.C. which will be disbursed in a period of up to 360 days.

39. Explanation added for translation to English language

The accompanying consolidated financial statements were originally issued in Spanish and are presented on the basis of International Financial Reporting Standards "IFRS" as described in Note 2. These consolidated financial statements should be read in conjunction with the Spanish consolidated financial statements, in the event of a discrepancy the Spanish language version prevails.

Nº 0084027

COLEGIO DE CONTADORES PÚBLICOS DE LIMA

AV. AREQUIPA Nº 998 Y AV. ALEJANDRO TIRADO Nº 181 - SANTA BEATRIZ - LIMA
TELEF.: 230-3000

R.U.C. 20106620106

Nº 84027

Constancia de Habilitación

La Decana y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que en base a los registros de la institución, se ha verificado que

PAREDES, BURGA & ASOCIADOS S. CIVIL DE R.L.

MATRICULA : S0761

FECHA DE COLEGIATURA : 05/11/2002

Se encuentra, hábil a la fecha, para el ejercicio de las funciones profesionales que le faculta la Ley Nº 13253 y su modificatoria Ley Nº 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente. Esta constancia tiene vigencia hasta el 31/08/2019

Lima, 06 de Marzo de 2019

Elsa R. Ugarte V.

CPCC Elsa Rosario Ugarte Vásquez
Decana

Penadillo C.

CPCC Moisés Manuel Penadillo Castro
Director Secretario

Verifique su validez en: www.ccpl.org.pe

Comprobante de Pago: 113-00005840

Verifique la validez del comprobante de pago en: www.sunat.gob.pe

EY | Assurance | Tax | Transactions | Advisory

About
EY

EY is the global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies over the world. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

For more information, please visit ey.com/pe