

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of financial position

As of September 30, 2016 (unaudited) and December 31, 2015 (audited)

	Note	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	6	399,308	390,855
Trade and other receivables, net	7	83,573	78,754
Inventory, net	8	104,850	89,639
Financial assets at fair value through profit or loss	9	5,400	6,412
Income tax prepayments		44	3,589
Prepaid expenses		2,939	615
Available-for-sale financial assets		3,262	2,711
Other financial assets	30	1,092	-
		<u>600,468</u>	<u>572,575</u>
Non-current assets			
Other financial assets	10	196,697	192,498
Trade and other receivables, net	7	54,262	51,469
Investments in associates	11	318,354	292,130
Property, plant and equipment, net	12	489,809	435,499
Intangible assets, net	13	387,200	346,979
Deferred income tax asset, net		67,679	48,684
Income tax prepayments		-	945
Other assets		2	2
		<u>1,514,003</u>	<u>1,368,206</u>
Total asset		<u>2,114,471</u>	<u>1,940,781</u>
Liabilities			
Current liabilities			
Trade and other payables	14	163,590	103,638
Financial obligations	15	100,184	93,793
Provisions	16	31,578	27,628
Other financial liabilities	30	8,400	298
		<u>303,752</u>	<u>225,357</u>
Non-current liabilities			
Trade and other payables	14	38,809	10,000
Financial obligations	15	444,417	452,484
Provisions	16	124,252	114,027
Deferred income tax liability, net		25,821	23,997
		<u>633,299</u>	<u>600,508</u>
Total liabilities		<u>937,051</u>	<u>825,865</u>
Equity			
Capital stock	18	601,269	601,269
Investment shares	18	300,634	300,634
Other reserves	18	160,670	160,670
Other equity items	18	(183,452)	(255,355)
Retained earnings	18	298,082	244,830
Equity attributable to equity holders of the parent		<u>1,177,203</u>	<u>1,052,048</u>
Non-controlling interests	18	217	62,868
Total equity		<u>1,177,420</u>	<u>1,114,916</u>
Total liabilities and equity		<u>2,114,471</u>	<u>1,940,781</u>

Minsur S.A. and Subsidiaries

Interim condensed consolidated income statements

For Nine-months period ended September 30, 2016 and 2015 (unaudited)

	Note	For the specific quarter from July 1, to September 30,		For the Nine months period ended September 30,	
		2016	2015	2016	2015
		US\$(000)	US\$(000)	US\$(000)	US\$(000)
Net sales	20	163,787	138,141	445,586	464,741
Cost of sales	21	(95,478)	(98,890)	(269,073)	(312,953)
Gross margin		<u>68,309</u>	<u>39,251</u>	<u>176,513</u>	<u>151,788</u>
Operating expenses					
Administrative expenses	22	(11,031)	(8,177)	(31,875)	(33,152)
Selling expenses	23	(1,599)	(1,772)	(4,722)	(6,096)
Other operating income	24	2,200	2,628	7,841	7,936
Other operating expenses	25	(5,544)	(23,961)	(36,038)	(59,820)
Total operating expenses		<u>(15,974)</u>	<u>(31,282)</u>	<u>(64,794)</u>	<u>(91,132)</u>
Operating income		<u>52,335</u>	<u>7,969</u>	<u>111,719</u>	<u>60,656</u>
Other income (expenses)					
Finance income	26	783	1,574	3,905	3,721
Finance costs	26	(11,143)	(10,443)	(30,768)	(32,992)
Gain (loss) from investments in associates, net	10	(8,401)	6,986	(12,810)	18,988
Gain (loss) from financial assets at fair value through profit or loss		320	(1,000)	(1,023)	(777)
Exchange difference, net		(1,517)	(20,198)	12,702	(35,980)
Total other income (expenses)		<u>(19,958)</u>	<u>(23,081)</u>	<u>(27,994)</u>	<u>(47,040)</u>
Profit before income tax		<u>32,377</u>	<u>(15,112)</u>	<u>83,725</u>	<u>13,616</u>
Income tax expense	17	(21,778)	(11,769)	(34,380)	(43,880)
Profit for the period		<u>10,599</u>	<u>(26,881)</u>	<u>49,345</u>	<u>(30,264)</u>
Attributable to :					
Owners of the parent		8,981	(25,201)	49,351	(24,109)
Non-controlling interests		1,618	(1,680)	(6)	(6,155)
Profit or loss for the period		<u>10,599</u>	<u>(26,881)</u>	<u>49,345</u>	<u>(30,264)</u>
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:					
Common shares	18 (g)	0.311	-0.874	1.712	-0.836
Investment shares	18 (g)	0.003	-0.009	0.017	-0.008

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of comprehensive income

For the Nine-months period ended September 30, 2016 and 2015 (unaudited)

	For the specific quarter from July 1, to September 30,		For the Nine-months periods ended september 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
(Loss) Profit for the period	10,599	(26,881)	49,345	(30,264)
Other comprehensive income				
Net Change in Cash Flow Hedges	(6,714)	-	(6,755)	-
Gains (Losses) on Investments in Equity Instruments at fair value	71	(640)	(40)	1,224
Exchange difference on traslation of foreing operations	(1,589)	(72,693)	50,819	(129,091)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method	11,555	(13,080)	27,879	(21,638)
Net comprehensive income	3,323	(86,413)	71,903	(149,505)
Total comprehensive income	13,922	(113,294)	121,248	(179,769)
Attributable to:				
Equity holders of the parents	12,304	(111,614)	121,254	(173,614)
Non-controlling interests	1,618	(1,680)	(6)	(6,155)
	<u>13,922</u>	<u>(113,294)</u>	<u>121,248</u>	<u>(179,769)</u>

Minsur S.A. And Subsidiaries

Interim condensed consolidated statements of changes in equity

As of September 30, 2016 and 2015 (unaudited)

	<u>Capital Stock</u>	<u>Investment shares</u>	<u>Others Reserves</u>	<u>Cash Flow Hedges</u>	<u>Other equity items</u>	<u>Reinvested earnings</u>	<u>Cumulative translation reserve</u>	<u>Unrealized Gain (loss)</u>	<u>Retained earnings</u>	<u>Total attributable to equity holders of the parent</u>	<u>Non - controlling interests</u>	<u>Total equity</u>
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Balance as of January 1, 2015	601,269	300,634	120,685	-	2,382	39,985	(109,489)	5,503	717,207	1,678,176	173,965	1,852,141
Profit of the period	-	-	-	-	-	-	-	-	(24,109)	(24,109)	(6,155)	(30,264)
Other comprehensive income	-	-	-	-	1,224	-	(129,091)	(21,638)	-	(149,505)	-	(149,505)
Total other comprehensive income	-	-	-	-	1,224	-	(129,091)	(21,638)	(24,109)	(173,614)	(6,155)	(179,769)
Dividends declared	-	-	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Capital Contributions	-	-	-	-	-	-	-	-	-	-	7,290	7,290
Other adjustments	-	-	-	-	-	-	-	-	2,828	2,828	(2,203)	625
Balance as of September 30, 2015	601,269	300,634	120,685	-	3,606	39,985	(238,580)	(16,135)	645,926	1,457,390	172,897	1,630,287
Balance as of January 1, 2016	601,269	300,634	120,685	-	2,382	39,985	(245,427)	(12,310)	244,830	1,052,048	62,868	1,114,916
Profit or loss of the period	-	-	-	-	-	-	-	-	49,351	49,351	(6)	49,345
Other comprehensive income	-	-	-	(6,755)	(40)	-	50,819	27,879	-	71,903	-	71,903
Total other comprehensive income	-	-	-	(6,755)	(40)	-	50,819	27,879	49,351	121,254	(6)	121,248
Dividends declared	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	5,280	5,280
Other adjustments	-	-	-	-	-	-	-	-	3,901	3,901	(67,925)	(64,024)
Balance as of September 30, 2016	601,269	300,634	120,685	(6,755)	2,342	39,985	(194,608)	15,569	298,082	1,177,203	217	1,177,420

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of cash flows

For the Nine-months period ended September 30, 2016 and 2015
(unaudited)

	Note	As of September 30, 2016 US\$(000)	As of September 30, 2015 US\$(000)
Operating activities			
Collection from customers		457,307	473,489
Interest received		43	5,932
Payments to suppliers		(170,420)	(238,178)
Payroll and social benefit payments		(87,336)	(109,029)
Tax payments and other taxes		(49,178)	(13,084)
Interest paid		(36,131)	(37,799)
Other (payments) receipts related to the activity, net		(13,880)	(51,258)
Net cash flows (used in) provided by operating activities		100,405	30,073
Investing activities			
Proceeds from sale of property, plant and equipment		53	36
Dividends received		-	-
Purchase of property, plant and equipment		(25,931)	(41,754)
Purchase of intangibles		(12,257)	(540)
Others		(40,017)	-
Net cash flows used in investing activities		(78,152)	(42,258)
Financing activities			
Proceeds from borrowings		-	42,639
Dividends paid		(36)	(49,984)
New contributions of minority		3,000	7,290
Repayment of borrowings		-	(961)
Others		(20,159)	(9,169)
Net cash flows provided by financing activities		(17,195)	(10,185)
Net (decrease) increase in cash and cash equivalents		5,058	(22,370)
Net exchange difference		3,395	(8,905)
Cash and cash equivalents as of January 1	6	390,855	407,882
Cash and cash equivalents as of September 30	6	399,308	376,607