

Minsur S.A. and Subsidiaries

Interim consolidated statements of financial position

As of March 31, 2014 (unaudited) and December 31, 2013 (audited)

	Note	2014 US\$(000)	2013 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	3	486,583	238,588
Bank deposits under guarantee		20,723	21,015
Trade and other receivables, net	4	175,141	159,465
Related parties	20	1,947	2,627
Inventory, net	5	209,642	222,806
Financial assets at fair value through profit or loss		9,999	10,129
Income tax prepayments		15,620	11,565
Prepaid expenses		4,507	1,257
Assets available for sale		4,035	3,817
		<u>928,197</u>	<u>671,269</u>
Non-current assets			
Trade and other receivables, net	4	82,957	77,519
Related parties	20	818	844
Investments in associates	6	76,360	88,648
Investments properties		111,124	115,754
Property, plant and equipment, net	7	871,678	887,108
Intangible assets, net		1,218,247	1,219,055
Deferred income tax asset, net		58,077	52,334
Other non financial assets		4,879	4,148
		<u>2,424,140</u>	<u>2,445,410</u>
Total asset		<u>3,352,337</u>	<u>3,116,679</u>
Liabilities			
Current liabilities			
Trade and other payables		218,641	200,562
Related parties	20	8,622	21,455
Financial obligations	9	128,210	153,289
Provisions	10	11,264	21,264
		<u>366,737</u>	<u>396,570</u>
Non-current liabilities			
Trade and other payables		10,613	10,662
Financial obligations	9	622,847	363,810
Provisions	10	152,526	145,773
Deferred income tax liability, net		199,742	202,085
		<u>985,728</u>	<u>722,330</u>
Total liabilities		<u>1,352,465</u>	<u>1,118,900</u>
Equity			
Capital stock		601,269	601,269
Investment shares		300,634	300,634
Other reserves		120,685	120,685
Reinvested earnings		39,985	39,985
Cumulative translation reserve		(25,189)	(30,283)
Unrealized gain		3,359	3,375
Retained earnings		680,606	681,529
Equity attributable to equity holders of the parent		<u>1,721,349</u>	<u>1,717,194</u>
Non-controlling interests		278,523	280,585
Total equity		<u>1,999,872</u>	<u>1,997,779</u>
Total liabilities and equity		<u>3,352,337</u>	<u>3,116,679</u>

Minsur S.A. and Subsidiaries

Interim consolidated income statements

For the three-month periods ended March 31, 2014
and 2013 (unaudited)

	Note	For the three-month periods ended March 31,	
		2014 US\$(000)	2013 US\$(000)
Net sales	12	334,420	343,743
Cost of sales	13	<u>(200,397)</u>	<u>(217,864)</u>
Gross margin		<u>134,023</u>	<u>125,879</u>
Operating expenses			
Administrative expenses	15	(17,620)	(19,886)
Selling expenses	14	(3,741)	(5,638)
Exploration expenses	16	(18,103)	(6,160)
Other income (expenses), net		<u>(2,190)</u>	<u>3,367</u>
Total operating expenses		<u>(41,654)</u>	<u>(28,317)</u>
Operating income		<u>92,369</u>	<u>97,562</u>
Other income (expenses)			
Finance income		1,781	2,270
Finance costs		(9,442)	(7,661)
Gain (loss) from investments in associates, net		35	1,605
Gain (loss) from financial assets at fair value through profit or loss		(128)	151
Result on sales of assets		-	33
Dividends		-	104
Exchange difference, net		(550)	(2,855)
Loss from derivative financial instruments, net			<u>(420)</u>
Total other income (expenses)		<u>(8,304)</u>	<u>(6,773)</u>
Profit before income tax		<u>84,065</u>	<u>90,789</u>
Income tax expense	11	<u>(35,298)</u>	<u>(39,753)</u>
Profit for the period		<u>48,767</u>	<u>51,036</u>
Atributable to :			
Owners of the parent		51,918	53,828
Non-controlling interests		<u>(3,151)</u>	<u>(2,792)</u>
Profit for the period		<u>48,767</u>	<u>51,036</u>
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:			
Common shares	19	1.800	1.870
Investment shares	19	0.017	0.018

Minsur S.A. and Subsidiaries

Interim consolidated statements of comprehensive income

For the three-month periods ended March 31, 2014
and 2013 (unaudited)

	For the three-month periods ended March 31,	
	2014 US\$(000)	2013 US\$(000)
Profit for the period	48,767	51,036
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Exchange difference on traslation of foreing operations	847	(10,609)
Unrealized gain (loss) related to investment in associate		
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(16)	4,523
Total comprehensive income	<u>49,598</u>	<u>44,950</u>
Attributable to:		
Equity holders of the parents	57,214	46,299
Non-controlling interes	(7,616)	(1,349)
	<u>49,598</u>	<u>44,950</u>

Minsur S.A. and Subsidiaries

Interim consolidated statements of changes in equity

As of March 31, 2014 (unaudited) and December 31, 2013 (audited)

	<u>Capital Stock</u>	<u>Investment shares</u>	<u>Other reserves</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)
Balance as of January 1, 2013	601,269	300,634	120,820	39,985	56,826	35,119	557,633	1,712,286	279,229	1,991,515
Profit for the year	-	-	-	-	-	-	53,828	53,828	(2,792)	51,036
Other comprehensive income	-	-	-	-	(10,609)	4,523	-	(6,086)	-	(6,086)
Total other comprehensive income	0	0	0	0	(10,609)	4,523	53,828	47,742	(2,792)	44,950
Dividends declared, note 21(e)	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Incorporation of non-controlling interests	-	-	-	-	-	-	-	-	4,530	4,530
Contribution of non-controlling interest	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	(60)	(60)	6,513	6,453
Balance as of March 31, 2013	601,269	300,634	120,820	39,985	46,217	39,642	561,401	1,709,968	287,480	1,997,448
Balance as of January 1, 2014	601,269	300,634	120,043	39,985	(30,283)	3,375	682,171	1,717,194	280,585	1,997,779
Profit for the year	-	-	-	-	-	-	51,918	51,918	(3,151)	48,767
Other comprehensive income	-	-	-	-	847	(16)	-	831	-	831
Total other comprehensive income	0	0	0	0	847	(16)	51,918	52,749	(3,151)	49,598
Dividends declared, note 21(e)	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Contribution of non-controlling interest	-	-	-	-	-	-	-	-	5,940	5,940
Other adjustments	-	-	642	-	-	-	764	1,406	(4,851)	(3,445)
Balance as of March 31, 2014	601,269	300,634	120,685	39,985	(29,436)	3,359	684,853	1,721,349	278,523	1,999,872

Minsur S.A. and Subsidiaries

Interim consolidated statements of cash flows

For the three-month periods ended March 31, 2014 and 2013 (unaudited)

	For the three-month periods ended March 31,	
	2014 US\$ (000)	2013 US\$ (000)
Operating activities		
Collection from customers	372,720	311,533
Interest received	258	-
Payments to suppliers	(201,538)	(129,470)
Payroll and social benefit payments	(72,846)	(92,628)
Tax payments and other taxes	(47,380)	(68,897)
Interest paid	(16,046)	(7,661)
Other receipts (payments) related to the activity, net	(17,225)	8,392
Net cash flows provided by operating activities	17,943	21,269
Investing activities		
Proceeds from sale of property, plant and equipment	1,609	1,094
Sale of equity financial instruments	-	1,525
Purchase of property, plant and equipment	(13,226)	(27,061)
Purchase of intangibles	-	(5,263)
Loan to subsidiary	(5,059)	-
Capital contribution to associate	-	(4,530)
Others	(5)	10
Net cash flows used in investing activities	(16,681)	-34,225
Financing activities		
Proceeds from borrowings	450,000	83,555
New contributions of minority	5,940	-
Repayment of borrowings	(200,000)	(44,242)
Others	(6,607)	(15,102)
Net cash flows provided by (used in) financing activities	249,333	24,211
Net (decrease) increase in cash and cash equivalents	250,595	11,255
Net exchange difference	(2,600)	998
Cash and cash equivalents as of January 1	238,588	146,395
Cash and cash equivalents as of March 31	486,583	158,648