

Minsur S.A. and Subsidiaries

Interim consolidated statements of financial position

As of June 30, 2018 (unaudited) and December 31, 2017 (audited)

	Note	As of June 30, 2018 US\$(000)	As of December 31, 2017 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	3	194,410	240,481
Trade and other receivables, net	4,19	101,307	104,408
Inventory, net	5	103,697	110,078
Other financial assets	3,6,7	406,306	200,313
Income tax prepayments	18	36,697	345
Other assets		2,970	1,965
Available-for-sale financial assets		2,732	3,168
		<u>848,119</u>	<u>660,758</u>
Non-current assets			
Other financial assets	6	81,430	131,713
Trade and other receivables, net	4	69,101	62,706
Investments in associates	8	317,550	303,307
Property, plant and equipment, net	9	572,278	507,483
Intangible assets, net	10	467,296	465,901
Deferred income tax asset, net		131,481	136,995
Other assets	11	27,252	23,609
		<u>1,666,388</u>	<u>1,631,714</u>
Total asset		<u>2,514,507</u>	<u>2,292,472</u>
Liabilities			
Current liabilities			
Trade and other payables	12,19	152,173	127,519
Financial obligations	13,14,19	81,393	72,550
Provision for employees benefits	12	17,233	23,865
Provisions	15	20,114	23,690
Income tax	18	0	4,354
		<u>270,913</u>	<u>251,978</u>
Non-current liabilities			
Trade and other payables	12	30,769	31,641
Financial obligations	13,14,19	525,914	541,285
Provisions	15	158,499	160,948
Deferred income tax liability, net		104,849	102,202
		<u>820,031</u>	<u>836,076</u>
Total liabilities		<u>1,090,944</u>	<u>1,088,054</u>
Equity			
Capital stock		601,269	601,269
Investment shares		300,634	300,634
Other reserves		214,189	174,357
Other equity items		(181,456)	(166,436)
Retained earnings		308,870	294,424
Equity attributable to equity holders of the parent		<u>1,243,506</u>	<u>1,204,248</u>
Non-controlling interests		180,057	170
Total equity		<u>1,423,563</u>	<u>1,204,418</u>
Total liabilities and equity		<u>2,514,507</u>	<u>2,292,472</u>

Minsur S.A. and Subsidiaries
Interim consolidated income statements
As of June 30, 2018 and 2017 (unaudited)

	Note	For the specific quarter from April 1, to June 30,		For the six months period ended June 30,	
		2018	2017	2018	2017
		US\$(000)	US\$(000)	US\$(000)	US\$(000)
Net sales		181,269	170,391	349,891	326,241
Cost of sales		(101,390)	(99,800)	(202,396)	(202,074)
Gross margin		<u>79,879</u>	<u>70,591</u>	<u>147,495</u>	<u>124,167</u>
Operating expenses					
Administrative expenses		(1,896)	(1,221)	(3,755)	(2,290)
Selling expenses		(15,092)	(10,715)	(28,520)	(22,058)
Other operating income		6,678	2,590	10,632	4,699
Other operating expenses		(18,601)	(14,558)	(32,595)	(27,204)
Other gains (losses)		-	-	-	-
Total operating expenses		<u>(28,911)</u>	<u>(23,904)</u>	<u>(54,238)</u>	<u>(46,853)</u>
Operating income		<u>50,968</u>	<u>46,687</u>	<u>93,257</u>	<u>77,314</u>
Other income (expenses)					
Finance income		2,374	1,511	4,878	4,070
Finance costs		(12,780)	(11,289)	(22,902)	(21,715)
Exchange difference, net		(19,203)	(6,586)	(20,288)	(4,726)
Gain (loss) from investments in associates, net		3,356	(5,743)	9,428	(7,737)
Gain (loss) from financial assets at fair value through profit or loss		2,955	998	101	1,996
Result on sales of assets		-	-	-	-
Dividends		-	-	-	-
Loss from derivative financial instruments, net		-	-	-	-
Total other income (expenses)		<u>(23,298)</u>	<u>(21,109)</u>	<u>(28,783)</u>	<u>(28,112)</u>
Profit before income tax		<u>27,670</u>	<u>25,578</u>	<u>64,474</u>	<u>49,202</u>
Income tax expense		(37,838)	(15,370)	(51,530)	(25,600)
Profit or loss for the period		<u>(10,168)</u>	<u>10,208</u>	<u>12,944</u>	<u>23,602</u>
Attributable to :					
Owners of the parent		(8,770)	10,209	14,343	23,604
Non-controlling interests		(1,398)	(1)	(1,399)	(2)
Profit or loss for the period		<u>(10,168)</u>	<u>10,208</u>	<u>12,944</u>	<u>23,602</u>
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:					
Common shares		(0.350)	0.360	0.450	0.820
Investment shares		-	-	-	0.010

Minsur S.A. and Subsidiaries

Interim consolidated statements of comprehensive income

As of June 30, 2018 and 2017 (unaudited)

	For the specific quarter from April 1, to June 30,		For the six months period ended June 30,	
	2018 US\$(000)	2017 US\$(000)	2018 US\$(000)	2017 US\$(000)
(Loss) Profit for the period	(10,168)	10,208	12,944	23,602
Other comprehensive income				
Net Change in Cash Flow Hedges	(8,044)	(1,843)	(8,330)	2,039
Gains (Losses) on Investments in Equity Instruments at fair value	(2,065)	214	(2,128)	992
Exchange difference on traslation of foreing operations	(27,812)	(19,922)	(4,410)	(549)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method	(1,320)	6,771	(152)	10,943
Net comprehensive income	(39,241)	(14,780)	(15,020)	13,425
Total comprehensive income	(49,409)	(4,572)	(2,076)	37,027
Attributable to:				
Equity holders of the parents	(48,011)	(4,571)	(677)	37,029
Non-controlling interests	(1,398)	(1)	(1,399)	(2)
	(49,409)	(4,572)	(2,076)	37,027

Minsur S.A. And Subsidiaries

Interim consolidated statements of changes in equity

As of June 30, 2018 and 2017 (unaudited)

	<u>Capital Stock</u>	<u>Investment Shares</u>	<u>Others 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, 2017	601,269	300,634	110,835	39,985	195,517	1,317	339,524	1,195,413	191	1,195,604
Profit of the period	-	-	-	-	-	-	23,604	23,604	(2)	23,602
Other comprehensive income	-	-	-	-	549	13,974	-	13,425	-	13,425
Total other comprehensive income	-	-	-	-	(549)	13,974	23,604	37,029	(2)	37,027
Other adjustments	-	-	-	-	-	-	-	-	-	-
Balance as of Jun 30, 2017	601,269	300,634	110,835	39,985	(196,066)	12,657	363,128	1,232,442	189	1,232,631
Balance as of January 1, 2018	601,269	300,634	134,372	39,985	(166,977)	541	294,424	1,204,248	170	1,204,418
Profit or loss of the period	-	-	-	-	-	-	14,343	14,343	(1,399)	12,944
Other comprehensive income	-	-	-	-	4,410	10,610	-	(15,020)	-	(15,020)
Total other comprehensive income	-	-	-	-	(4,410)	(10,610)	14,343	(677)	(1,399)	(2,076)
Dividends declared	-	-	-	-	-	-	-	-	-	-
Participation of minority interest	-	-	39,832	-	-	-	-	39,832	181,276	221,108
Other adjustments	-	-	-	-	-	-	103	103	10	113
Balance as of Jun 30, 2018	601,269	300,634	174,204	39,985	(171,387)	(10,069)	308,870	1,243,506	180,057	1,423,563

Minsur S.A. and Subsidiaries

Interim consolidated statements of cash flows

As of June 30, 2018 and 2017 (unaudited)

	Note	As of Jun 30, 2018 US\$(000)	As of Jun 30, 2017 US\$(000)
Operating activities			
Collection from customers		362,114	338,606
Interest received		1,957	1,734
Payments to suppliers		(200,768)	(183,885)
Payroll and social benefit payments		(78,526)	(77,285)
Tax payments and other taxes		(47,734)	(32,081)
Interest paid		(17,864)	(20,335)
Other (payments) receipts related to the activity, net		(18,912)	(17,880)
Net cash flows (used in) provided by operating activities		267	8,874
Investing activities			
Sale of Financial Instruments of Patrimony or Debt of Other Entities		474,874	30,173
Proceeds from sale of property, plant and equipment		250	45
Purchase of Financial Instruments of Patrimony or Debt of Other Entities		(450,826)	(130,426)
Purchase of property, plant and equipment		(75,434)	(19,732)
Purchase of intangibles		(12,029)	(15,982)
Others		1,810	(26,397)
Net cash flows used in investing activities		(61,355)	(162,319)
Financing activities			
Proceeds from borrowings		49,733	63,754
Repayment of borrowings		(34,181)	(6,270)
Dividends paid		-	(12)
Others		-	293
Net cash flows provided by financing activities		15,552	57,765
Net (decrease) increase in cash and cash equivalents		(45,536)	(95,680)
Net exchange difference		(535)	1,522
Cash and cash equivalents as of January 1	3	240,481	353,343
Cash and cash equivalents as of Jun 30	3	194,410	259,185