

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of financial position

For the Twelve-months period ended December 31, 2016 (unaudited) and 2015 (audited)

	Note	As of December 31, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	6	383,516	390,855
Trade and other receivables, net	7	99,132	78,754
Inventory, net	8	100,215	89,639
Financial assets at fair value through profit or loss	9, 30	43,356	6,412
Income tax prepayments		57	3,589
Prepaid expenses		2,140	615
Available-for-sale financial assets		3,270	2,711
		<u>631,686</u>	<u>572,575</u>
Non-current assets			
Other financial assets	10	128,810	192,498
Trade and other receivables, net	7	53,846	51,469
Investments in associates	11	345,523	292,130
Property, plant and equipment, net	12	525,934	435,499
Intangible assets, net	13	390,688	346,979
Deferred income tax asset, net		85,795	48,684
Income tax prepayments		-	945
Other assets		1	2
		<u>1,530,597</u>	<u>1,368,206</u>
Total asset		<u>2,162,283</u>	<u>1,940,781</u>
Liabilities			
Current liabilities			
Trade and other payables	14	151,032	103,638
Financial obligations	15	106,781	93,793
Provisions	16	33,959	27,628
Other financial liabilities	30	5,652	298
		<u>297,424</u>	<u>225,357</u>
Non-current liabilities			
Trade and other payables	14	39,450	10,000
Financial obligations	15	444,730	452,484
Provisions	16	146,469	114,027
Deferred income tax liability, net		38,272	23,997
		<u>668,921</u>	<u>600,508</u>
Total liabilities		<u>966,345</u>	<u>825,865</u>
Equity			
Capital stock	18	601,269	601,269
Investment shares	18	300,634	300,634
Other reserves	18	150,820	160,670
Other equity items	18	(189,877)	(255,355)
Retained earnings	18	332,901	244,830
Equity attributable to equity holders of the parent		<u>1,195,747</u>	<u>1,052,048</u>
Non-controlling interests	18	191	62,868
Total equity		<u>1,195,938</u>	<u>1,114,916</u>
Total liabilities and equity		<u>2,162,283</u>	<u>1,940,781</u>

Minsur S.A. and Subsidiaries

Interim condensed consolidated income statements

For the Twelve-months period ended December 31, 2016 (unaudited) and 2015 (audited)

	Note	As of December 31,		For the Twelve- months period ended December 31,	
		2016	2015	2016	2015
		US\$(000)	US\$(000)	US\$(000)	US\$(000)
Net sales	20	171,462	153,869	617,048	618,610
Cost of sales	21	(106,760)	(105,991)	(375,833)	(418,944)
Gross margin		64,702	47,878	241,215	199,666
Operating expenses					
Administrative expenses	22	(10,390)	(10,103)	(42,265)	(43,255)
Selling expenses	23	(1,301)	(1,810)	(6,023)	(7,906)
Other operating income	24	4,777	3,979	12,618	11,915
Other operating expenses	25	(24,882)	(39,305)	(60,920)	(99,125)
Other expenses		-	(640,528)	-	(640,528)
Total operating expenses		(31,796)	(687,767)	(96,590)	(778,899)
Operating income		32,906	(639,889)	144,625	-579,233
Other income (expenses)					
Finance income	26	1,595	892	5,500	4,613
Finance costs	26	(20,542)	(12,644)	(51,310)	(45,636)
Exchange difference, net		1,097	(299)	13,799	(36,279)
Gain (loss) from investments in associates, net	10	42,369	(7,041)	29,559	11,947
Gain (loss) from financial assets at fair value through profit or loss		665	(966)	(358)	(1,743)
Total other income (expenses)		25,184	(20,058)	(2,810)	(67,098)
Profit before income tax		58,090	(659,947)	141,815	(646,331)
Income tax expense	17	(19,593)	152,229	(53,973)	108,349
Profit for the period		38,497	(507,718)	87,842	(537,982)
Attributable to :					
Owners of the parent		38,498	(397,721)	87,849	(421,830)
Non-controlling interests		(1)	(109,997)	(7)	(116,152)
Profit or loss for the period		38,497	(507,718)	87,842	(537,982)
Earnings per share stated in U.S. dollar (basic and diluted) attributable to:					
Common shares	18 (g)	1.335	-13.795	3.047	-14.632
Investment shares	18 (g)	0.013	-0.138	0.030	-0.146

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of comprehensive income

For the Twelve-months period ended December 31, 2016 (unaudited) and 2015 (audited)

	As of December 31,		For the Twelve-months periods ended december 31,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
(Loss) Profit for the period	38,497	(507,718)	87,842	(537,982)
Other comprehensive income				
Net Change in Cash Flow Hedges	3,841	-	(2,914)	-
Gains (Losses) on Investments in Equity Instruments at fair value	2,330	(1,224)	2,290	-
Exchange difference on traslation of foreing operations	(909)	(6,847)	49,910	(135,938)
Participation in other comprehensive income of associates and joint ventures accounted for using the equity method	(11,687)	5,133	16,192	(16,505)
Other comprehensive income	-	(587)	-	(587)
Net comprehensive income	(6,425)	(3,525)	65,478	(153,030)
Total comprehensive income	32,072	(511,243)	153,320	(691,012)
Attributable to:				
Equity holders of the parents	32,073	(401,246)	153,327	(574,860)
Non-controlling interests	(1)	(109,997)	(7)	(116,152)
	<u>32,072</u>	<u>(511,243)</u>	<u>153,320</u>	<u>(691,012)</u>

Minsur S.A. And Subsidiaries

Interim condensed consolidated statements of changes in equity

For the Twelve-months period ended December 31, 2016 (unaudited) and 2015 (audited)

	<u>Capital Stock</u>	<u>Investment actions</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	-	-	-	-	-	-	-	-	(421,830)	(421,830)	(116,152)	(537,982)
Other comprehensive income	-	-	-	-	-	-	(135,938)	(17,813)	-	(153,751)	-	(153,751)
Total other comprehensive income	-	-	-	-	-	-	(135,938)	(17,813)	(421,830)	(575,581)	(116,152)	(691,733)
Dividends declared	-	-	-	-	-	-	-	-	(50,000)	(50,000)	-	(50,000)
Capital Contributions	-	-	-	-	-	-	-	-	-	-	7,290	7,290
Other adjustments	-	-	-	-	-	-	-	-	(1,268)	(1,268)	(2,235)	(3,503)
Balance as of December 31, 2015	601,269	300,634	120,685	-	2,382	39,985	(245,427)	(12,310)	244,109	1,051,327	62,868	1,114,195
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	-	-	-	-	-	-	-	-	87,849	87,849	(7)	87,842
Other comprehensive income	-	-	-	(2,914)	2,290	-	49,910	16,192	-	65,478	-	65,478
Total other comprehensive income	-	-	-	(2,914)	2,290	-	49,910	16,192	87,849	153,327	(7)	153,320
Dividends declared	-	-	-	-	-	-	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-	-	-	-	-	3,000	3,000
Increase (Decrease) due to changes in the interests of subsidiaries that do not involve loss of control	-	-	(9,850)	-	-	-	-	-	-	(9,850)	-	(9,850)
Other adjustments	-	-	-	-	-	-	-	-	222	222	(65,670)	(65,448)
Balance as of December 31, 2016	601,269	300,634	110,835	(2,914)	4,672	39,985	(195,517)	3,882	332,901	1,195,747	191	1,195,938

Minsur S.A. and Subsidiaries

Interim condensed consolidated statements of cash flows

For the Twelve-months period ended December 31, 2016 (unaudited) and 2015 (audited)

	Note	As of December 31, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Operating activities			
Collection from customers		618,347	621,038
Interest received		46	3,047
Payments to suppliers		(236,780)	(314,744)
Payroll and social benefit payments		(122,538)	(127,158)
Tax payments and other taxes		(69,177)	(47,250)
Interest paid		(49,300)	(43,597)
Other (payments) receipts related to the activity, net		(10,588)	(49,234)
Net cash flows (used in) provided by operating activities		130,010	42,102
Investing activities			
Sale of Financial Instruments of Patrimony or Debt of Other Entities		31,653	-
Proceeds from sale of property, plant and equipment		496	54
Dividends received		-	2,621
Purchase of property, plant and equipment		(66,607)	(63,284)
Purchase of intangibles		(23,939)	(13,403)
Obtain control of subsidiaries or other businesses		(60,000)	-
Purchase of Other Long-Term Assets		(42,835)	-
Net cash flows used in investing activities		(161,232)	(74,012)
Financing activities			
Proceeds from borrowings		-	168,009
Dividends paid		-	(50,000)
New contributions of minority		3,000	-
Repayment of borrowings		-	(107,602)
Others		17,274	-
Net cash flows provided by financing activities		20,274	10,407
Net (decrease) increase in cash and cash equivalents		(10,948)	(21,503)
Net exchange difference		3,609	(2,814)
Cash and cash equivalents as of January 1	6	390,855	407,882
Cash and cash equivalents as of December 31	6	383,516	383,565