

Minsur S.A.

Interim condensed separated 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 | 283,736 | 383,001 |
| Financial assets at fair value through profit or loss | 9, 31 | 6,463 | 6,412 |
| Trade receivables, net | 7 | 40,828 | 45,104 |
| Other receivables, net | 7 | 9,127 | 12,839 |
| Related parties | 7, 27 | 375 | 627 |
| Inventory, net | 8 | 58,066 | 61,432 |
| Prepayments | | 1,867 | 181 |
| Income tax prepayments | 17 (a) | - | 3,330 |
| | | <u>400,462</u> | <u>512,926</u> |
| Non-current assets | | | |
| Other financial assets | 10 | 196,697 | 192,498 |
| Investments in associates | 11 (a) | 831,583 | 609,722 |
| Property, plant and equipment, net | 12 | 281,065 | 289,131 |
| Intangible assets, net | 13 | 24,980 | 24,153 |
| Deferred income tax asset, net | 17 (b) | 16,644 | 5,092 |
| Other assets | | 1 | 2 |
| | | <u>1,350,970</u> | <u>1,120,598</u> |
| Total asset | | <u>1,751,432</u> | <u>1,633,524</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Financial obligations | 14, 31 | 3,000 | 497 |
| Trade payables | 15 | 21,727 | 29,494 |
| Other payables | 15 | 13,467 | 19,559 |
| Related parties | 15, 27 | 9,553 | 14,932 |
| Provision for employees benefits | 15 | 16,200 | 16,470 |
| Provisions | 16 | 12,192 | 10,968 |
| Liability for income tax | 17 (a) | 6,408 | - |
| | | <u>82,547</u> | <u>91,920</u> |
| Non-current liabilities | | | |
| Financial obligations | 14 | 439,778 | 439,145 |
| Provisions | 16 | 51,904 | 50,411 |
| | | <u>491,682</u> | <u>489,556</u> |
| Total liabilities | | <u>574,229</u> | <u>581,476</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 | | (183,452) | (255,355) |
| Retained earnings | | 298,082 | 244,830 |
| Equity attributable to equity holders of the parent | | <u>1,177,203</u> | <u>1,052,048</u> |
| Total equity | | <u>1,177,203</u> | <u>1,052,048</u> |
| Total liabilities and equity | | <u>1,751,432</u> | <u>1,633,524</u> |

Minsur S.A.

Interim condensed separated income statements

As of 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 | 126,893 | 109,036 | 354,946 | 364,678 |
| Cost of sales | 21 | (55,719) | (64,787) | (171,693) | (207,230) |
| Gross margin | | <u>71,174</u> | <u>44,249</u> | <u>183,253</u> | <u>157,448</u> |
| Operating expenses | | | | | |
| Administrative expenses | 23 | (7,506) | (5,065) | (21,611) | (22,263) |
| Selling expenses | 22 | (1,018) | (1,423) | (3,271) | (4,792) |
| Other operating income | 24 | 1,873 | 1,244 | 5,580 | 4,967 |
| Other operating expenses | 25 | (5,169) | (8,246) | (17,717) | (26,005) |
| Total operating expenses | | <u>(11,820)</u> | <u>(13,490)</u> | <u>(37,019)</u> | <u>(48,093)</u> |
| Operating income | | <u>59,354</u> | <u>30,759</u> | <u>146,234</u> | <u>109,355</u> |
| Other income (expenses) | | | | | |
| Finance income | 26 | (811) | 1,316 | 2,723 | 3,970 |
| Finance costs | 26 | (7,572) | (7,531) | (23,367) | (22,907) |
| Exchange difference, net | | (718) | (324) | (388) | (276) |
| Gain (loss) from investments in subsidiaries and associates, net | 11 (b) | (21,307) | (36,496) | (36,831) | (67,521) |
| Gain (loss) from financial assets at fair value through profit or loss | | 320 | (1,000) | (1,023) | (777) |
| Total other income (expenses) | | <u>(30,088)</u> | <u>(44,035)</u> | <u>(58,886)</u> | <u>(87,511)</u> |
| Profit before income tax | | 29,266 | (13,276) | 87,348 | 21,844 |
| Income tax expense | 17 (d) | (20,285) | (11,925) | (37,997) | (45,953) |
| Profit for the period | | <u>8,981</u> | <u>(25,201)</u> | <u>49,351</u> | <u>(24,109)</u> |
| Earnings per share stated in U.S. dollar (basic and diluted) attributable to: | | | | | |
| Common shares | 18 (e) | 0.392 | -0.874 | 1.793 | -0.836 |
| Investment shares | 18 (e) | 0.004 | -0.009 | 0.018 | -0.008 |

Minsur S.A.

Interim condensed separated statements of comprehensive income

As of September 30, 2016 and 2015 (unaudited)

| | For the specific quarter from July 1, to September 30, | | For the nine months period ended September 30, | |
|---|---|-------------------------|---|-------------------------|
| | 2016 US\$(000) | 2015 US\$(000) | 2016 US\$(000) | 2015 US\$(000) |
| (Loss) Profit for the period | 8,981 | (25,201) | 49,351 | (24,109) |
| Other comprehensive income | | | | |
| Net Change by Cash Flow Hedges | (6,714) | - | (6,755) | - |
| Unrealized gain (loss) related to investment in associate | 71 | (641) | (40) | 1,223 |
| Exchange difference on traslation of foreing operations | (1,589) | (72,693) | 50,819 | (129,091) |
| Net change in non-current assets or groups of assets held for sale | 11,555 | (13,080) | 27,879 | (21,638) |
| Net comprehensive income | <u>3,323</u> | <u>(86,414)</u> | <u>71,903</u> | <u>(149,506)</u> |
| Total comprehensive income | <u>12,304</u> | <u>(111,615)</u> | <u>121,254</u> | <u>(173,615)</u> |

Minsur S.A.

Interim condensed separated statements of changes in equity

As of September 30, 2016 and 2015 (unaudited)

| | <u>Capital Stock</u> | <u>Investment Shares</u> | <u>Legal Reserve</u> | <u>Other equity items</u> | <u>Reinvested earnings</u> | <u>Investments in equity measured at fair value</u> | <u>Cumulative translation reserve</u> | <u>Unrealized results</u> | <u>Retained earnings</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, 2015 | 601,269 | 300,634 | 120,261 | 424 | 39,985 | - | (109,489) | 7,885 | 717,207 | 1,678,176 |
| Profit of the period | - | - | - | - | - | - | - | - | (24,109) | (24,109) |
| Other comprehensive income | - | - | - | - | - | 1,223 | (129,091) | (21,638) | - | (149,506) |
| Total other comprehensive income | - | - | - | - | - | 1,223 | (129,091) | (21,638) | (24,109) | (173,615) |
| Dividends declared | - | - | - | - | - | - | - | - | (50,000) | (50,000) |
| Capital Contributions | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | 2,829 | 2,829 |
| Balance as of September 30, 2015 | 601,269 | 300,634 | 120,261 | 424 | 39,985 | 1,223 | (238,580) | (13,753) | 645,927 | 1,457,390 |
| Balance as of January 1, 2015 | 601,269 | 300,634 | 120,261 | 424 | 39,985 | (911) | (245,427) | (9,017) | 244,830 | 1,052,048 |
| Other comprehensive income | - | - | - | - | - | (40) | 50,819 | 21,124 | - | 71,903 |
| Total other comprehensive income | - | - | - | - | - | (40) | 50,819 | 21,124 | 49,351 | 121,254 |
| Dividends declared | - | - | - | - | - | - | - | - | - | - |
| Capital Contributions | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | 3,901 | 3,901 |
| Balance as of September 30, 2016 | 601,269 | 300,634 | 120,261 | 424 | 39,985 | (951) | (194,608) | 12,107 | 298,082 | 1,177,203 |

Minsur S.A.

Interim condensed separated statements of cash flows

As of 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 | | 366,667 | 373,425 |
| Interest received | | - | 7,197 |
| Payments to suppliers | | (129,153) | (162,930) |
| Payroll and social benefit payments | | (52,457) | (68,683) |
| Tax payments and other taxes | | (42,410) | (51,205) |
| Interest paid | | (29,179) | (28,154) |
| Other (payments) receipts related to the activity, net | | (343) | 281 |
| Net cash flows (used in) provided by operating activities | | 113,125 | 69,931 |
| Investing activities | | | |
| Dividends from investment in associate | | 1,991 | 2,620 |
| Proceeds from sale of property, plant and equipment | | - | 34 |
| Purchase of property, plant and equipment | | (25,924) | (11,183) |
| Purchase of intangibles | | (3,689) | (177) |
| Capital contribution to subsidiaries and associates | | (184,520) | (114,432) |
| Net cash flows used in investing activities | | (212,142) | (45,738) |
| Financing activities | | | |
| Proceeds from borrowings | | - | (960) |
| Dividends paid | | (36) | (49,984) |
| Net cash flows provided by financing activities | | (36) | (50,944) |
| Net (decrease) increase in cash and cash equivalents | | (99,053) | (26,751) |
| Net exchange difference | | (212) | (33) |
| Cash and cash equivalents as of January 1 | 6 | 383,001 | 388,712 |
| Cash and cash equivalents as of September 30 | 6 | 283,736 | 361,928 |