

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Unaudited interim consolidated financial statements as of
September 30, 2016 and 2015 and for the three-month and nine-
month periods then ended

Report on review of interim consolidated financial statements

To the Board of Directors of Compañía de Minas Buenaventura S.A.A.

Introduction

We have reviewed the accompanying interim consolidated financial statements of Compañía de Minas Buenaventura S.A.A. (a Peruvian public corporation) and Subsidiaries (together the "Group") which comprise the interim consolidated statements of financial position as of September 30, 2016, the interim consolidated statements of change in equity for the nine-month periods ended September 30, 2016 and 2015, and the interim consolidated statements of profit or loss, statements of comprehensive income, and statements of cash flows for the three-month and six-month periods ended September 30, 2016 and 2015, and explanatory notes. The Group's Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with IAS 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Auditing Standards approved in Peru by the Board of Deans of the Peruvian Charter of Accountants and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

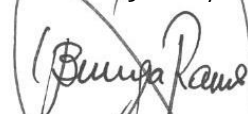
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Lima, Peru

October 25, 2016

Countersigned by:



Victor Burga

C.P.C.C. Register No.14859

Paredes, Burga & Asociados

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Consolidated statements of financial position

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

	Note	2016 US\$(000)	2015 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	4	117,243	78,519
Trade and other receivables, net	5(a)	286,035	219,862
Inventories, net	6(a)	139,127	101,473
Income tax credit		17,607	45,919
Prepaid expenses		6,860	8,231
		<u>566,872</u>	<u>454,004</u>
Assets held for sale	1(c)	4,421	15,592
		<u>571,293</u>	<u>469,596</u>
Non-current assets			
Trade and other receivables, net	5(a)	167,869	162,567
Income tax credit		4,092	-
Inventories, net	6(a)	5,655	26,029
Investments in associates	7(a)	1,941,603	2,043,983
Mining concessions, development costs, property, plant and equipment, net	8	1,854,681	1,747,624
Investment properties, net		10,293	10,719
Deferred income tax asset, net		30,653	41,574
Prepaid expenses		30,647	29,235
Other assets		17,814	15,854
		<u>4,063,307</u>	<u>4,077,585</u>
Total assets		<u>4,634,600</u>	<u>4,547,181</u>
Liabilities and shareholders' equity, net			
Current liabilities			
Bank loans	9	54,547	285,302
Trade and other payables		240,000	247,114
Provisions		60,805	49,829
Income tax payable		4,516	2,444
Embedded derivatives for sale of concentrate, net	10(a)	4,153	1,694
Hedge derivative financial instruments	10(b)	219	10,643
Financial obligations	11(a)	38,945	33,394
		<u>403,185</u>	<u>630,420</u>
Liabilities directly associated with the assets held for sale	1(c)	8,768	20,611
		<u>411,953</u>	<u>651,031</u>
Non-current liabilities			
Trade and other payables		17,266	15,057
Provisions		144,752	141,885
Financial obligations	11(a)	561,712	320,316
Contingent consideration liability		20,524	16,994
Deferred income tax liabilities, net		10,206	12,662
		<u>754,460</u>	<u>506,914</u>
Total liabilities		<u>1,166,413</u>	<u>1,157,945</u>
Shareholders' equity, net			
Capital stock		750,497	750,497
Investment shares		791	1,396
Additional paid-in capital		218,450	219,055
Legal reserve		162,744	162,714
Other reserves		269	269
Retained earnings		2,103,608	2,024,895
Other reserves of equity		(313)	2,240
		<u>3,236,046</u>	<u>3,161,066</u>
Shareholders' equity, net attributable to owners of the parent		232,141	228,170
Non-controlling interest			
Total shareholders' equity, net		<u>3,468,187</u>	<u>3,389,236</u>
Total liabilities and shareholders' equity, net		<u>4,634,600</u>	<u>4,547,181</u>

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of profit or loss (unaudited)

For the three-month and nine-month periods ended September 30, 2016 and 2015

	Note	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
		2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Continuing operations					
Operating income					
Net sales of goods	13	257,484	191,869	746,310	626,503
Net sales of services	13	5,598	10,391	16,859	42,698
Royalty income	16(a)	5,947	8,720	18,493	25,200
Total operating income		<u>269,029</u>	<u>210,980</u>	<u>781,662</u>	<u>694,401</u>
Operating costs					
Cost of sales of goods, excluding depreciation and amortization	14(a)	(127,210)	(130,505)	(363,194)	(380,910)
Cost of services, excluding depreciation and amortization	14(b)	(2,542)	(15,416)	(8,351)	(46,318)
Depreciation and amortization		(45,361)	(59,564)	(138,041)	(169,078)
Exploration in operating units		(24,985)	(20,990)	(66,206)	(66,008)
Mining royalties		(7,332)	(6,937)	(20,375)	(21,844)
Total operating costs		<u>(207,430)</u>	<u>(233,412)</u>	<u>(596,167)</u>	<u>(684,158)</u>
Gross (loss) profit		<u>61,599</u>	<u>(22,432)</u>	<u>185,495</u>	<u>10,243</u>
Operating expenses, net					
Administrative expenses		(16,879)	(19,838)	(58,048)	(58,806)
Exploration in non-operating areas		(6,355)	(5,259)	(14,824)	(25,660)
Selling expenses		(5,531)	(4,655)	(15,646)	(12,701)
Reversal (expense) for provision for contingencies		(331)	201	(129)	(280)
Provision for impairment of long-lived assets		-	-	-	(3,803)
Other, net		2,241	(2,225)	10,561	(2,445)
Total operating expenses, net		<u>(26,855)</u>	<u>(31,776)</u>	<u>(78,086)</u>	<u>(103,695)</u>
Operating profit (loss)		<u>34,744</u>	<u>(54,208)</u>	<u>107,409</u>	<u>(93,452)</u>
Other income (expense), net					
Share in the results of associates under equity method	7(b)	(11,850)	13,381	37,222	61,621
Financial income		1,749	827	6,061	2,441
Net gain (loss) from currency exchange difference		(4,233)	(3,936)	1,255	(7,517)
Financial costs		(10,911)	(6,934)	(26,585)	(21,078)
Total other income (expense), net		<u>(25,245)</u>	<u>3,338</u>	<u>17,953</u>	<u>35,467</u>
Profit (loss) before income tax		<u>9,499</u>	<u>(50,870)</u>	<u>125,362</u>	<u>(57,985)</u>
Current income tax	15(a)	(14,054)	(3,176)	(32,359)	(10,556)
Deferred income tax	15(a)	(17,075)	17,473	(5,266)	14,490
Profit (loss) from continuing operations		<u>(21,630)</u>	<u>(36,573)</u>	<u>87,737</u>	<u>(54,051)</u>
Discontinued operations					
Loss from discontinued operations	1(c)	(6,736)	(2,433)	(6,382)	(6,197)
Net profit (loss)		<u>(28,366)</u>	<u>(39,006)</u>	<u>81,355</u>	<u>(60,248)</u>
Attributable to:					
Owners of the parent		(24,651)	(23,229)	82,372	(24,656)
Non-controlling interest		(3,715)	(15,777)	(1,017)	(35,592)
		<u>(28,366)</u>	<u>(39,006)</u>	<u>81,355</u>	<u>(60,248)</u>
Basic and diluted profit (loss) per share attributable to equity holders of the parent, stated in U.S. dollars					
		(0.10)	(0.09)	0.32	(0.10)
Profit (loss) for continuing operations, basic and diluted per share attributable to equity holders of the parent, expressed in U.S. dollars					
		(0.07)	(0.14)	0.35	(0.21)

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of other comprehensive income (unaudited)

For the three-month and nine-month periods ended September 30, 2016 and 2015

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Net profit (loss)	<u>(28,366)</u>	<u>(39,006)</u>	<u>81,355</u>	<u>(60,248)</u>
Other comprehensive income of the period:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Net change in unrealized gain (loss) on cash flow hedges	1,156	(213)	(4,036)	(3,465)
Income tax effect	<u>(324)</u>	<u>59</u>	<u>1,130</u>	<u>970</u>
Other comprehensive income of the period	<u>832</u>	<u>(154)</u>	<u>(2,906)</u>	<u>(2,495)</u>
Total other comprehensive income, net of income tax	<u>(27,534)</u>	<u>(39,160)</u>	<u>78,449</u>	<u>(62,743)</u>
Attributable to:				
Owners of the parent	(23,510)	(22,601)	79,819	(26,350)
Non-controlling interest	<u>(4,024)</u>	<u>(16,559)</u>	<u>(1,370)</u>	<u>(36,393)</u>
	<u>(27,534)</u>	<u>(39,160)</u>	<u>78,449</u>	<u>(62,743)</u>

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of changes in shareholders' equity (unaudited)

For the nine-month period ended September 30, 2016 and 2015

	Attributable to equity holders of the parent										
	Capital stock, net of treasury shares								Total US\$(000)	Non- controlling interest US\$(000)	Total shareholders' equity, net US\$(000)
	Number of shares outstanding	Common shares US\$(000)	Investment shares US\$(000)	Additional paid-in capital US\$(000)	Legal reserve US\$(000)	Other reserves US\$(000)	Retained earnings US\$(000)	Other reserves of equity US\$(000)			
As of January 1, 2015	253,715,190	750,497	1,396	219,055	162,710	269	2,328,423	1,755	3,464,105	298,020	3,762,125
Net loss	-	-	-	-	-	-	(24,656)	-	(24,656)	(35,592)	(60,248)
Other comprehensive loss	-	-	-	-	-	-	-	(1,694)	(1,694)	(801)	(2,495)
Total other comprehensive loss	-	-	-	-	-	-	(24,656)	(1,694)	(26,350)	(36,393)	(62,743)
Dividends declared, note 12(b)	-	-	-	-	-	-	-	-	-	(8,048)	(8,048)
Expired dividends	-	-	-	-	3	-	-	-	3	-	3
As of September 30, 2015	<u>253,715,190</u>	<u>750,497</u>	<u>1,396</u>	<u>219,055</u>	<u>162,713</u>	<u>269</u>	<u>2,303,767</u>	<u>61</u>	<u>3,437,758</u>	<u>253,579</u>	<u>3,691,337</u>
As of January 1, 2016	253,715,190	750,497	1,396	219,055	162,714	269	2,024,895	2,240	3,161,066	228,170	3,389,236
Net profit (loss)	-	-	-	-	-	-	82,372	-	82,372	(1,017)	81,355
Other comprehensive loss	-	-	-	-	-	-	-	(2,553)	(2,553)	(353)	(2,906)
Total other comprehensive income (loss)	-	-	-	-	-	-	82,372	(2,553)	79,819	(1,370)	78,449
Acquisition of non-controlling interest, note 12(a)	-	-	-	-	-	-	(3,659)	-	(3,659)	11,041	7,382
Expired dividends	-	-	-	-	30	-	-	-	30	-	30
Treasury shares	-	-	(605)	(605)	-	-	-	-	(1,210)	-	(1,210)
Dividends declared, note 12(b)	-	-	-	-	-	-	-	-	-	(5,700)	(5,700)
As of September 30, 2016	<u>253,715,190</u>	<u>750,497</u>	<u>791</u>	<u>218,450</u>	<u>162,744</u>	<u>269</u>	<u>2,103,608</u>	<u>(313)</u>	<u>3,236,046</u>	<u>232,141</u>	<u>3,468,187</u>

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Interim consolidated statements of cash flows (unaudited)

For the three-month and nine-month periods ended September 30, 2016 and 2015

	Note	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
		2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Operating activities					
Proceeds from sales	5	262,108	239,513	677,953	721,967
Proceeds from dividends	16(a)	3,142	1,816	139,926	4,775
Value added tax recovered		34,850	21,911	105,722	74,784
Royalty received		5,947	7,151	27,005	28,966
Interest received		52	700	1,766	2,497
Payments to suppliers and third-parties		(190,615)	(192,714)	(523,634)	(553,471)
Payments to employees		(36,065)	(40,892)	(105,219)	(127,920)
Payments of interest		(1,068)	(7,684)	(18,941)	(17,283)
Payment of income taxes		(2,705)	(6,125)	(14,166)	(17,387)
Payments of mining royalties		(6,053)	(5,525)	(15,409)	(17,407)
Net cash and cash equivalents provided by operating activities		<u>69,593</u>	<u>18,151</u>	<u>275,003</u>	<u>99,521</u>
Investing activities					
Proceeds from sales of mining concessions, property, plant and equipment		3,352	569	5,651	2,589
Proceeds from loan to third parties		-	141	-	141
Acquisitions of mining concessions, development costs, property, plant and equipment	8	(118,296)	(84,895)	(239,664)	(166,527)
Loans granted to associates	16	-	(20,800)	-	(20,800)
Opening of time deposits		-	(7,350)	-	(7,350)
Net cash and cash equivalents used in investing activities		<u>(114,944)</u>	<u>(112,335)</u>	<u>(234,013)</u>	<u>(191,947)</u>
Financing activities					
Proceeds from bank loans		-	150,000	175,851	240,000
Payments of bank loans		(3,760)	(50,000)	(415,760)	(90,000)
Proceeds from financial obligations		210	-	275,210	10,000
Payments of financial obligations		(8,297)	(20,784)	(25,180)	(29,870)
Dividends paid to non-controlling interest		(1,649)	(2,140)	(5,709)	(8,048)
Acquisition of non-controlling interest		(4,152)	-	(5,459)	-
Increase of restricted bank accounts		(2,023)	-	(4,011)	-
Repurchase of treasury shares		(1,210)	-	(1,210)	-
Payments of dividends		-	(70)	(9)	(70)
Net cash and cash equivalents (used in) provided by financing activities		<u>(20,881)</u>	<u>77,006</u>	<u>(6,277)</u>	<u>122,012</u>
Net increase (decrease) in cash and cash equivalents during the period, net		(66,232)	(17,178)	34,713	29,586
Cash and cash equivalents at beginning of period		179,464	125,276	78,519	78,512
Cash and cash equivalents at period-end		<u>113,232</u>	<u>108,098</u>	<u>113,232</u>	<u>108,098</u>
Transactions that do not generate cash flows:					
Unrealized gain (loss) for changes in the fair value of hedge financial instruments		827	(154)	(2,911)	(2,495)
Changes in the asset for closure of mining units		-	12,272	8,433	53,988

Interim consolidated statements of cash flows (unaudited) (continued)

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Reconciliation of net profit (loss) to cash and cash equivalents provided by operating activities				
Net profit (loss) attributable to owners of the parent	(24,651)	(23,229)	82,372	(24,656)
Plus (less):				
Depreciation and amortization	45,361	61,377	138,041	179,185
Net loss on sales of mining concessions, property, plant and equipment	-	10,667	2,072	13,620
Accretion expense of provision for closure of mining units and exploration projects	1,112	96	2,810	2,931
Income attributable to non-controlling interest	(3,715)	(15,777)	(1,017)	(35,592)
Net share in results of associates	11,850	(13,381)	(37,222)	(61,621)
Provision for estimated fair value of embedded derivatives related to concentrate sales and adjustments on open liquidations	20,651	(5,752)	(9,298)	(6,347)
Deferred income tax expense (income)	17,075	(17,473)	5,266	(14,490)
Reversal (provision) for impairment loss of inventories	(291)	8,928	(9,145)	13,710
Net loss (gain) from currency exchange difference	4,233	3,945	(1,255)	7,525
Provision for impairment of long-lived assets	-	-	-	3,803
Other, net	(765)	(513)	(1,352)	3,326
Net changes in operating assets and liabilities:				
Decrease (increase) in operating assets -				
Trade and other accounts receivable	(32,057)	22,496	(68,235)	51,970
Inventories	(8,598)	(12,810)	(6,777)	11,656
Income tax credit	6,219	5,570	24,220	5,390
Prepaid expenses	3,809	4,543	(3,115)	7,242
Increase (decrease) in operating liabilities -				
Trade and other accounts payable	38,245	(17,892)	21,908	(35,210)
Provisions	(12,621)	5,845	(4,196)	(26,749)
Income tax payable	594	(305)	-	(947)
Proceeds from dividends	3,142	1,816	139,926	4,775
Net cash and cash equivalents provided by operating activities	69,593	18,151	275,003	99,521

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and Subsidiaries

Notes to the interim consolidated financial statements (unaudited)

As of September 30, 2016 and 2015

1. Identification and business activity

(a) Identification -

Compañía de Minas Buenaventura S.A.A. (hereafter "Buenaventura" or "the Company") is a publicly traded corporation incorporated in 1953 in Lima city. The Company stock is traded on the Lima and New York Stock Exchanges through American Depositary Receipts (ADRs), which represent the Company's shares deposited in the Bank of New York. The Company's legal domicile is at Las Begonias Street N°415, San Isidro, Lima, Peru.

(b) Business activity -

The Company and its subsidiaries (hereinafter "the Group"), directly or associated with third parties, are principally engaged in the exploration, mining, concentration, smelting and marketing of polymetallic ores and metals.

The Group operates directly four operating mining units in Peru (Uchucchacua, Orcopampa, Julcani and Mallay), five mining units with discontinued operations (Poracota, Recuperada, Antapite, Shila-Paula and Breapampa), and two mining units under development stage (Tambomayo and San Gabriel). In addition, the Group has a controlling interest in Sociedad Minera El Brocal S.A.A. (hereinafter "El Brocal"), which operates the Colquijirca mining unit; Minera La Zanja S.R.L. (hereinafter "La Zanja"), which operates La Zanja mining unit; El Molle Verde S.A.C. (hereinafter "Molle Verde") which operates Trapiche, a mining unit at the development stage; and other entities dedicated to energy generation and transmission services, construction and engineering services and other activities. All these activities are carried out in Peru.

(c) Discontinued operations -

As of December 31, 2015, the Group held five mining units classified as discontinued operations of which four mining units were classified as held for sale (Recuperada, Poracota, Antapite and Shila-Paula) and one mining unit was in process of final closing (Breapampa). During 2016, the Company decided to cease the classification of two mining units (Poracota and Shila-Paula) as mining units held for sale, starting their final closing.

Notes to the interim consolidated financial statements (unaudited)

(continued)

According to IFRS 5, the Company has recognized the following accounting effects as a result of the cease of the classification of mining units previously held for sale (Poracota and Shila-Paula): (i) recording the total unrecorded depreciation since the beginning of the classification as units held for sale as a period expense and (ii) reclassification of the assets and liabilities held for sale in the consolidated statement of financial position as of September 30, 2016.

The assets and liabilities of these two mining units held for sale as of September 30, 2016 (four mining units as of December 31, 2015) are presented below:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Assets		
Cash	2	4
Trade and other receivables, net	103	172
Inventory, net	1,323	1,940
Prepaid expenses	-	170
Mining concessions, development costs, property, plant and equipment, net and intangibles	<u>2,993</u>	<u>13,306</u>
Assets held for sale	<u>4,421</u>	<u>15,592</u>
Liabilities		
Trade and other payables	(1,239)	(2,862)
Provisions	<u>(7,529)</u>	<u>(17,749)</u>
Liabilities directly associated with the assets held for sale	<u>(8,768)</u>	<u>(20,611)</u>

Notes to the interim consolidated financial statements (unaudited)

(continued)

Income, expenses and results of the two mining units held for sale (Recuperada and Antapite) and the three mining unit in process of final closing (Poracota, Shila-Paula and Breapampa) for the three-month and nine-month periods ended September 30, 2016 and 2015 are presented below:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Net sales of goods	-	4,948	1,149	22,700
Total operating income	-	4,948	1,149	22,700
Operating costs				
Cost of sales, excluding depreciation and amortization	(2,480)	(5,127)	(5,686)	(17,730)
Exploration in operating units	(992)	42	(3,438)	(109)
Depreciation and amortization	-	(1,513)	(565)	(9,807)
Mining royalties	-	(49)	(11)	(223)
Total operating costs	(3,472)	(6,647)	(9,700)	(27,869)
Gross loss	(3,472)	(1,699)	(8,551)	(5,169)
Operating income (expenses), net				
Administrative expenses	(4)	(628)	(117)	(2,047)
Reversal of (provision for) contingencies	(85)	(31)	832	353
Selling expenses	-	(53)	(31)	(117)
Other, net	(2,840)	116	2,136	1,246
Total operating income (expenses), net	(2,929)	(596)	2,820	(565)
Operating loss	(6,401)	(2,295)	(5,731)	(5,734)
Other income (expenses), net				
Financial costs	(345)	(154)	(598)	(553)
Net gain (loss) from currency exchange difference	11	16	(49)	93
Total other expenses, net	(334)	(138)	(647)	(460)
Loss from discontinued operations before current income tax	(6,735)	(2,433)	(6,378)	(6,194)
Current income tax	(1)	-	(4)	(3)
Loss net from discontinued operations	(6,736)	(2,433)	(6,382)	(6,197)
Loss for discontinued operations, basic and diluted per share attributable to equity holders of the parent, expressed in U.S. dollars	(0.04)	(0.01)	(0.03)	(0.02)

Notes to the interim consolidated financial statements (unaudited)

(continued)

2. Basis for preparation, consolidation and accounting policies

2.1. Basis of preparation and presentation -

The unaudited interim consolidated financial statements have been prepared and presented in accordance with IAS 34 - "Interim Financial Reporting", as issued by the International Accounting Standards Board (here in after "IASB").

The consolidated financial statements attached include the financial statements of subsidiaries mentioned in note 1(d) to the audited consolidated financial statements as of December 31, 2015 and for the year then ended.

The unaudited interim consolidated financial statements have been prepared on a historical cost basis, from the accounting records of the Group, except for financial assets and liabilities at fair value through profit or loss.

The unaudited interim consolidated financial statements are stated in U.S. dollars and all values have been rounded to the nearest thousands, except when otherwise indicated.

The unaudited interim consolidated financial statements provide comparative information for prior periods, however, do not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's audited consolidated financial statements as of December 31, 2015 and for the year then ended.

2.2. New standards and interpretations adopted by the Group -

The accounting policies used by the Group for the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2015 and for the year then ended.

Certain standards and amendments apply from January 1, 2016, however, they do not impact the unaudited interim consolidated financial statements of the Group as of September 30, 2016 and, therefore, they have not been disclosed. The Group has not early adopted any standard, interpretation or modification issued and not yet effective.

Notes to the interim consolidated financial statements (unaudited)

(continued)

3. Seasonality of operations

The Group operates continuously without major fluctuations due to seasonality factors.

4. Cash and cash equivalents

This caption is made up as follow:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Cash	495	417
Bank accounts (i)	73,737	38,102
Time deposits (ii)	39,000	40,000
	<u>113,232</u>	<u>78,519</u>
Restricted bank accounts (iii)	4,011	-
	<u>117,243</u>	<u>78,519</u>

- (i) Banks accounts are freely available and earn interest at floating rates based on market rates.
- (ii) As of September 30, 2016 and December 31, 2015, time deposits were kept in prime financial institutions, which generated interest at annual market rates and had original maturities of less than 90 days, according to the immediate cash needs of the Group.
- (iii) These balances correspond to restricted bank accounts for payment of financial obligations held by the subsidiary Empresa de Generación Huanza S.A. (hereafter "Huanza"), according to the finance lease signed with Banco de Crédito del Perú in 2009.

Notes to the interim consolidated financial statements (unaudited)

(continued)

5. Trade and other receivables, net

(a) This caption is made up as follows:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Trade receivables, net (b)		
Domestic and foreign clients	201,229	121,240
Related entities, note 16(b)	7,630	9,426
	<u>208,859</u>	<u>130,666</u>
Allowance for doubtful accounts (c)	(22,282)	(21,741)
	<u>186,577</u>	<u>108,925</u>
Other receivables		
Related entities, note 16(b)	126,317	125,487
Value added tax credit	85,440	73,145
Claims to third parties	18,381	10,870
Refund application of value added tax	17,134	40,421
Tax deposits	7,099	12,055
Other minor	12,956	11,526
	<u>267,327</u>	<u>273,504</u>
Total trade and other receivables, net	<u>453,904</u>	<u>382,429</u>
Classification by maturity:		
Current portion	286,035	219,862
Non-current portion	167,869	162,567
	<u>453,904</u>	<u>382,429</u>
Classification by nature:		
Financial receivables	351,330	268,863
Non-financial receivables	102,574	113,566
	<u>453,904</u>	<u>382,429</u>

(b) Increase in trade receivables balance as of September 30, 2016 as compared to the balance as of December 31, 2015 was mainly due to higher amount of revenue from foreign customers caused by the higher prices of gold and silver as of September 30, 2016, compared to those existing as of December 31, 2015.

(c) In the opinion of Group's Management, allowance for doubtful accounts' balance is sufficient to cover adequately the risks of failure to date of the interim consolidated statements of financial position.

Notes to the interim consolidated financial statements (unaudited)

(continued)

6. Inventory, net

(a) This caption is made up as follows:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Finished goods	14,044	12,787
Products in process	79,421	87,275
Spare parts and supplies	61,286	47,912
	<u>154,751</u>	<u>147,974</u>
Provision for impairment of value of inventory (b)	(9,969)	(20,472)
	<u>144,782</u>	<u>127,502</u>
Classification by use:		
Current portion	139,127	101,473
Non-current portion	5,655	26,029
	<u>144,782</u>	<u>127,502</u>

(b) In the opinion of Group's Management, the provision for impairment of value of inventories is sufficient to cover adequately the risks of obsolescence and slow movement of this caption to the date of the interim consolidated statements of financial position.

7. Investments in associates

(a) This caption is made up as follows:

	Minera Yanacocha S.R.L. US\$(000)	Sociedad Minera Cerro Verde S.A.A. US\$(000)	Compañía Minera Coimolache S.A. US\$(000)	Other minor investments US\$(000)	Total US\$(000)
As of January 1, 2016	989,129	988,725	62,610	3,519	2,043,983
Dividends received	(130,950)	-	(8,976)	-	(139,926)
Net share in realized results (b)	(24,054)	44,261	17,015	-	37,222
Net share in unrealized results	324	-	-	-	324
	<u>834,449</u>	<u>1,032,986</u>	<u>70,649</u>	<u>3,519</u>	<u>1,941,603</u>

On February 15, 2016, the executive committee of Minera Yanacocha S.R.L. agreed unanimously the distribution of US\$300 million to the partners, in proportion to its social share. It corresponds to the portion of the retained earnings as of December 31, 2014, which was originated in 2011.

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (b) The table below presents the net share in realized profit (loss) of associates:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Minera Yanacocha S.R.L.	(26,225)	7,952	(24,054)	42,432
Sociedad Minera Cerro Verde S.A.A.	9,454	1,312	44,261	10,089
Compañía Minera Coimolache S.A.	4,921	4,117	17,015	9,100
	<u>(11,850)</u>	<u>13,381</u>	<u>37,222</u>	<u>61,621</u>

8. Mining concessions, development costs, property, plant and equipment, net

- (a) This caption is made up as follows:

	Cost US\$(000)	Accumulated depreciation / amortization US\$(000)	Provision for impairment of long-lived assets US\$(000)	Net cost US\$(000)
As of September 30, 2016:				
As of January 1, 2016	3,021,340	(1,262,461)	(11,255)	1,747,624
Additions (b)	256,696	(149,661)	-	107,035
Reclassification of operations held for sale	47,750	(32,474)	(9,210)	6,066
Transfers	12,379	-	-	12,379
Disposals / sales	<u>(23,652)</u>	<u>5,229</u>	<u>-</u>	<u>(18,423)</u>
As of September 30, 2016	<u>3,314,513</u>	<u>(1,439,367)</u>	<u>(20,465)</u>	<u>1,854,681</u>
As of September 30, 2015:				
As of January 1, 2015	2,743,279	(1,027,827)	-	1,715,452
Additions	125,188	(118,367)	(3,803)	3,018
Disposals / sales	<u>(5,774)</u>	<u>801</u>	<u>-</u>	<u>(4,973)</u>
As of September 30, 2015	<u>2,862,693</u>	<u>(1,145,393)</u>	<u>(3,803)</u>	<u>1,713,497</u>

- (b) The main additions during 2016 are related to construction and assembly of the plant of Tambomayo mining unit for approximately US\$148.1 million.

Notes to the interim consolidated financial statements (unaudited)

(continued)

9. Bank loans

As of September 30, 2016, the Group maintains bank loans amounting to US\$54,547,000, which were obtained for working capital purposes, have current maturity and accrue interest at market annual rates ranging from 2.80% to 5.25% (as of December 31, 2015, the Group held a loan of US\$285,302,000, which accrue interest at market annual rates ranging from 1.32% to 5.61%). These bank loans have no guarantees.

A portion of the loans held as of December 31, 2015 were repaid with the financial obligations detailed in note 11(b).

10. Derivative financial instruments

(a) Embedded derivatives for concentrates sales -

The Group's sales of concentrates are based on commercial contracts, under which a provisional sale value is determined based on future quotations (forward). The adjustment to sales is considered an embedded derivative, which is required to be separated from the host contract. Commercial contracts are linked to market prices (London Metal Exchange) at the dates of the expected settlements of the open positions.

As of September 30, 2016, fair value of embedded derivatives for concentrates sales generated a liability amounting to US\$4,153,000 (liability of US\$1,694,000 as of December 31, 2015). The embedded derivative does not qualify for hedge accounting; therefore, changes in its fair value are directly recognized as an adjustment to net sales caption in the interim consolidated statement of profit or loss in the corresponding periods, see note 13.

(b) Hedge of the risk of fluctuation of foreign exchange rates -

During 2015, the volatility of the foreign exchange rate between the Soles and the U.S. dollars has driven the Group's Management to undertake hedge contracts of foreign currency exposure over their bank loans in Soles. The Group has signed forwards hedging contracts, which have been designated as hedging derivative cash flow because they are intended to cover the risk of fluctuations in the exchange rates of the bank loans in Soles.

Key deadlines of the hedging contract have been negotiated to match the terms and amounts of their obligations, and the effectiveness of these contracts has not been observed since it has not arisen any significant element of ineffectiveness as of the date of the consolidated financial statements.

Fair value of these hedge derivative financial instruments decreased from a liability to US\$10,643,000 as of December 31, 2015 to a liability of US\$219,000 as of September 30, 2016, mainly by the total payment of the hedge contracts of the Principal.

Notes to the interim consolidated financial statements (unaudited)

(continued)

11. Financial obligations

(a) This caption is made up as follow:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Compañía de Minas Buenaventura S.A.A. (b)		
BBVA Banco Continental	61,667	-
Banco de Crédito del Perú	61,667	-
CorpBanca New York Branch	61,666	-
Banco Internacional del Perú	30,000	-
ICBC Perú Bank	25,000	-
Banco Latinoamericano de Comercio Exterior S.A.	20,000	-
Banco de Sabadell, Miami Branch	15,000	-
	<u>275,000</u>	<u>-</u>
Debt issuance costs	(3,074)	-
	<u>271,926</u>	<u>-</u>
Empresa de Generación Huanza S.A.		
Banco de Crédito del Perú - Finance lease (c)	179,135	188,138
Sociedad Minera El Brocal S.A.A.		
Banco de Crédito del Perú - Leaseback	141,498	156,328
Other minor obligations	210	-
Buenaventura Ingenieros S.A.		
Banco de Crédito del Perú - Finance lease	7,799	9,082
Other minor obligations	28	69
Contacto Corredores de Seguros S.A.		
BBVA Banco Continental S.A. - Finance lease	61	93
	<u>600,657</u>	<u>353,710</u>
Total financial obligations		
	<u>600,657</u>	<u>353,710</u>
Classification by maturity:		
Current portion	38,945	33,394
Non-current portion (c)	561,712	320,316
	<u>600,657</u>	<u>353,710</u>
Total financial obligations		
	<u>600,657</u>	<u>353,710</u>

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (b) On June 27, 2016, the Company entered into a long-term finance contract with seven Peruvian and foreign banks, with the following terms and conditions:
- Principal: US\$275,000,000.
 - Annual interest rate: Three-month Libor plus 3%.
 - Term: 5 years since September 30, 2016, with final maturity in September 30, 2021.
 - Grace Period: Two years.
 - Amortization: 6 installments semiannual of US\$39,285,714 since July 2018 and a final maturity of US\$39,285,716 in June 2021.
 - Guarantee: None. The subsidiaries Compañía Minera Condesa S.A., Inversiones Colquijirca S.A. and Consorcio Energético de Huancavelica S.A. are guarantors.

As part of the commitments, the Company must meet certain consolidated financial ratios. The main ratios are the following:

- (i) Debt service coverage ratio: Higher than 4.
- (ii) Leverage ratio: Less than 4 times since September 30, 2016 until September 30, 2017 and less than 3 times since that date.
- (iii) Net consolidated equity value: Higher than US\$2,711,388,800.

For the calculation of (i) and (ii), the financial obligations and EBITDA of Empresa de Generación Huanza S.A. are excluded.

Additionally, there is a requirement referred to the distribution of dividends (until December 31, 2018: up to 20% of the available net income for the previous period; since January 1, 2019: up to the total of net income for the previous period), according to the execution of the dividend policy of the Company.

Compliance with the terms described above is overseen by the Company. As of September 30, 2016, the Company complies with the above financial ratios.

- (c) In February 2016, the interest rates applicable to finance lease of Huanza changed. The interest rate is three-month Libor plus 4.60 percent (Libor plus 4.00 percent as of December 31, 2015) for the bank loan with an original amount of US\$119 million, while for the bank loan with an original amount of US\$108.8 million, the interest rate is three-month Libor plus 4.70 percent (three-month Libor plus 4.20 percent as of December 31, 2015). On the other hand, the shareholders of Huanza have granted a security interest for 100 percent of Huanza shares.

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (d) The non-current portion of the financial obligations held by the Group matures as follows:

Year	As of September	As of December
	30, 2016 US\$(000)	31, 2015 US\$(000)
2017	10,224	40,104
2018	81,457	41,708
2019	123,879	44,956
2020	270,654	193,548
2021	78,572	-
	<u>564,786</u>	<u>320,316</u>
Debt issuance costs	(3,074)	-
	<u>561,712</u>	<u>320,316</u>

12. Shareholders' equity, net

- (a) Changes in non-controlling interest -

During 2016, the Company made a capital contribution to its subsidiary Sociedad Minera El Brocal S.A.A., for S/63.9 million (equivalent to US\$18.6 million) and US\$45.2 million through a trade in the Lima Stock Exchange, which resulted in an increase in its shares and a dilution of non-controlling shareholders of 7.26%.

- (b) Dividends declared and paid -

During the third quarter of 2016 and 2015, no dividends were declared. Dividends which are maintained as unpaid are presented under trade and other payables caption.

Dividends declared by S.M.R.L. Chaupiloma Dos de Cajamarca corresponding to non-controlling interest were US\$5,700,000 and US\$8,048,000 for the nine-month periods ended September 30, 2016 and 2015, respectively.

Notes to the interim consolidated financial statements (unaudited)

(continued)

13. Net sales

The table below presents the detail of net sales to clients for the three-month and nine-month periods ended September 30, 2016 and 2015:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Sales by metal				
Gold	126,109	100,750	341,968	317,475
Silver	103,609	69,634	280,302	218,376
Copper	54,109	27,754	153,501	91,605
Zinc	36,991	22,265	89,692	78,825
Lead	13,924	10,210	39,304	38,288
Manganese sulfate	983	1,194	3,551	2,399
	<u>335,725</u>	<u>231,807</u>	<u>908,318</u>	<u>746,968</u>
Commercial deductions	(57,590)	(45,094)	(171,306)	(135,147)
Adjustments to current period liquidations	1,302	3,802	11,757	7,882
Embedded derivatives from sale of concentrate	(21,953)	(3,407)	(2,459)	(1,426)
Hedge operations	-	4,761	-	8,226
	<u>257,484</u>	<u>191,869</u>	<u>746,310</u>	<u>626,503</u>
Net sales of goods				
Net sales of services	<u>5,598</u>	<u>10,391</u>	<u>16,859</u>	<u>42,698</u>
	<u>263,082</u>	<u>202,260</u>	<u>763,169</u>	<u>669,201</u>

Volumes of metallic contents sold were the following:

	For the three-month periods ended September 30,		Increase (decrease)
	2016	2015	
Gold	94,539 OZ	91,370 OZ	3,169 OZ
Silver	4,975,143 OZ	4,801,621 OZ	173,522 OZ
Copper	11,225 MT	7,456 MT	3,769 MT
Zinc	15,040 MT	12,543 MT	2,497 MT
Lead	7,138 MT	6,409 MT	729 MT
Manganese sulfate	3,479 MT	3,217 MT	262 MT

Notes to the interim consolidated financial statements (unaudited)

(continued)

	For the nine-month periods ended September 30,		Increase (decrease)
	2016	2015	
Gold	268,280 OZ	271,479 OZ	(3,199) OZ
Silver	15,924,538 OZ	14,239,819 OZ	1,684,719 OZ
Copper	32,895 MT	19,917 MT	12,978 MT
Zinc	42,866 MT	39,442 MT	3,424 MT
Lead	21,374 MT	22,086 MT	(712) MT
Manganese sulfate	11,853 MT	6,137 MT	5,716 MT

Net average sales prices were the following:

	For the three-month periods ended September 30,		Increase (decrease)
	2016	2015	
Gold	1,333.93 / OZ	1,102.67 / OZ	231.26 / OZ
Silver	20.83 / OZ	14.50 / OZ	6.33 / OZ
Copper	4,820.38 / MT	3,722.52 / MT	1,097.86 / MT
Lead	1,950.41 / MT	1,593.10 / MT	357.31 / MT
Zinc	2,459.62 / MT	1,775.02 / MT	684.60 / MT
Manganese sulfate	282.45 / MT	371.16 / MT	(88.71) / MT

	For the nine - month periods ended September 30,		Increase (decrease)
	2016	2015	
Gold	1,274.67 / OZ	1,169.43 / OZ	105.24 / OZ
Silver	17.60 / OZ	15.34 / OZ	2.26 / OZ
Copper	4,666.38 / MT	4,599.26 / MT	67.12 / MT
Lead	1,838.78 / MT	1,733.54 / MT	105.24 / MT
Zinc	2,092.39 / MT	1,998.49 / MT	93.90 / MT
Manganese sulfate	299.55 / MT	390.95 / MT	(91.40) / MT

Notes to the interim consolidated financial statements (unaudited)

(continued)

14. Cost of sales, excluding considering depreciation and amortization

(a) The cost of sales of goods is made up as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	55,681	88,558	69,932	105,943
Cost of production:				
Services provided by third parties	54,946	53,298	159,274	161,462
Consumption of materials and supplies	26,893	26,084	73,679	75,117
Direct labor	18,519	15,882	54,748	52,071
Electricity and water	10,894	8,654	31,192	25,416
Maintenance and repair	4,514	2,116	12,053	5,010
Transport	3,332	2,368	7,978	6,889
Rentals	1,624	1,600	5,907	4,359
Insurances	1,096	1,321	3,108	4,065
Provision (reversal) for impairment of finished goods and product in progress	(291)	7,735	(9,145)	14,023
Other production expenses	2,705	8,206	7,171	11,872
Total cost of production of the period	<u>124,232</u>	<u>127,264</u>	<u>345,965</u>	<u>360,284</u>
Final balance of products in process and finished goods, net of depreciation and amortization	<u>(52,703)</u>	<u>(85,317)</u>	<u>(52,703)</u>	<u>(85,317)</u>
Cost of sales of goods, excluding depreciation and amortization	<u>127,210</u>	<u>130,505</u>	<u>363,194</u>	<u>380,910</u>

(b) The cost of services is made up as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Electricity and water	936	1,606	2,829	4,244
Direct labor	801	5,713	2,515	18,344
Services provided by third parties	189	2,069	956	6,756
Consumption of materials and supplies	230	1,577	876	5,059
Maintenance and repair	93	176	342	431
Insurances	90	302	292	901
Rentals	91	1,259	187	1,675
Transport	4	1,309	6	4,103
Other	108	1,405	348	4,805
Cost of sales of services, excluding depreciation and amortization	<u>2,542</u>	<u>15,416</u>	<u>8,351</u>	<u>46,318</u>

Notes to the interim consolidated financial statements (unaudited)

(continued)

15. Income taxes

- (a) Below is a reconciliation of tax expense and the accounting profit (loss) multiplied by the statutory tax rate:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Profit (loss) before income tax for continued operations	9,499	(50,870)	125,362	(57,985)
Loss before income tax for discontinued operations	(6,735)	(2,433)	(6,378)	(6,194)
Profit (loss) before income tax	2,764	(53,303)	118,984	(64,179)
Theoretical loss (income) for income tax	(875)	14,925	(33,417)	17,970
Permanent items and others:				
Share in the results of associates	(3,318)	3,747	10,422	17,254
Effect of translation into U.S. dollars	(21,451)	(3,404)	1,963	(26,120)
Exchange difference of tax-loss carryforwards	1,367	2,522	(5,042)	1,707
Permanent items	(2,453)	(822)	(5,524)	(2,863)
Mining royalties and special mining tax	1,062	62	267	152
Other minor	(4,337)	(2,327)	(2,568)	(1,867)
Income tax income (expense)	(29,904)	14,703	(33,798)	6,233
Mining Royalties and Special Mining Tax	(1,225)	(406)	(3,827)	(2,299)
Total income tax	(31,129)	14,297	(37,625)	3,934

- (b) As of September 30, 2016, no changes have occurred in the open tax processes of the Group in connection with the ones disclosed in note 29 of the consolidated annual financial statements as of December 31, 2015.

Notes to the interim consolidated financial statements (unaudited)

(continued)

16. Related parties transactions

(a) Main transactions made by the Group with its associates are presented below:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2016 US\$(000)	2015 US\$(000)	2016 US\$(000)	2015 US\$(000)
Royalties collected to Minera Yanacocha S.R.L.:				
S.M.R.L. Chaupiloma Dos de Cajamarca	5,947	8,720	18,493	25,200
Sales of mineral to Minera Yanacocha S.R.L. by:				
Compañía de Minas Buenaventura S.A.A.	234	465	944	1,731
Sales of supplies to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A.	-	12	1	53
Minera La Zanja S.R.L.	-	23	-	49
Energy sales to Compañía Minera Coimolache S.A. by:				
Empresa de Generación Huanza S.A.	441	456	1,278	1,264
Supplies purchase to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A.	-	16	1	28
Minera La Zanja S.R.L.	1	1	1	3
Services provided to Minera Yanacocha S.R.L. by:				
Consorcio Energético de Huancavelica S.A. (electric power transmission)	228	714	686	1,236
Buenaventura Ingenieros S.A. (engineering services)	3	174	168	744
Services provided to Compañía Minera Coimolache S.A. by:				
Compañía de Minas Buenaventura S.A.A. (administrative and management services)	304	242	909	728
Consorcio Energético de Huancavelica S.A. (electric power transmission)	298	176	706	452
Buenaventura Ingenieros S.A. (engineering services)	293	73	540	384
Minera La Zanja S.R.L. (engineering services)	53	-	144	-
Dividends received by:				
Minera Yanacocha S.R.L. (note 7(a))	-	-	130,950	-
Compañía Minera Coimolache S.A.	3,142	1,816	8,976	4,775
Loans granted to:				
Sociedad Minera Cerro Verde S.A.A. (d)	-	20,800	-	20,800
Interest granted to:				
Compañía Minera Coimolache S.A.	-	4	3	16
Interest received from:				
Sociedad Minera Cerro Verde S.A.A.	1,052	-	3,179	-
Compañía Minera Coimolache S.A.	-	-	1	-

Notes to the interim consolidated financial statements (unaudited)

(continued)

- (b) As a result of the transactions indicated and other minors, the Group had the following accounts receivable and payable from/to associates:

	As of September 30, 2016 US\$(000)	As of December 31, 2015 US\$(000)
Trade and other receivables, note 5(a) -		
Trade		
Minera Yanacocha S.R.L. (c)	7,192	8,760
Compañía Minera Coimolache S.A.	438	666
	<u>7,630</u>	<u>9,426</u>
Other		
Sociedad Minera Cerro Verde S.A.A. (d)	126,174	124,988
Compañía Minera Coimolache S.A.	143	499
	<u>126,317</u>	<u>125,487</u>
Total trade and other receivables, net	<u>133,947</u>	<u>134,913</u>
Classification by maturity:		
Current portion	7,773	9,925
Non-current portion	126,174	124,988
	<u>133,947</u>	<u>134,913</u>
Total trade and other receivables, net	<u>133,947</u>	<u>134,913</u>
Trade and other payables -		
Trade		
Minera Yanacocha S.R.L.	917	283
Compañía Minera Coimolache S.A.	63	892
	<u>980</u>	<u>1,175</u>
Total trade and other payables, net	<u>980</u>	<u>1,175</u>

- (c) S.M.R.L. Chaupiloma Dos de Cajamarca -
In accordance with mining lease, amended and effective on January 1, 1994, Minera Yanacocha S.R.L. pays the Group a 3% royalty based on quarterly production sold at current market prices, after deducting refinery and transportation costs. The royalty agreement expires in 2032.

Notes to the interim consolidated financial statements (unaudited)

(continued)

(d) Sociedad Minera Cerro Verde S.A.A.-

In December 2014, Cerro Verde entered into shareholder loan agreements with Freeport Minerals Corporation, Compañía de Minas Buenaventura S.A.A. and SMM Cerro Verde Netherlands B.V., for up to US\$800 million. As of September 30, 2016 and December 31, 2015, Cerro Verde had borrowed US\$125 million under these loan agreements. The interest rate is variable (currently 3.27%). The loans mature on December 22, 2019, unless at that time there is senior financing associated with the expansion project that is senior to the loans, in which case the loans mature two years following the maturity of the senior financing.

17. Disclosure of information on segments

Management has determined its operating segments based on reports that the Group's Chief Operating Decision Maker (CODM) uses for making decisions. The Group is organized into business units based on its products and services, activities and geographic locations. The broad categories of the Group's business units are:

- Production and sale of minerals.
- Exploration and development activities.
- Construction and engineering services.
- Energy generation and transmission services.
- Insurance brokerage.
- Rental of mining concessions.
- Holding of investment in shares (mainly in the associate company Minera Yanacocha S.R.L. and the Group's subsidiary S.M.R.L. Chaupiloma Dos de Cajamarca).
- Industrial activities.

The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the Group's consolidated financial statements. Also, the Group's financing and income taxes are managed at the corporate level and are not allocated to the operating segments.

Notes to the interim consolidated financial statements (unaudited) (continued)

	Uchucchacua (Mining operation) US\$(000)	Orcopampa (Mining operation) US\$(000)	Julcani (Mining operation) US\$(000)	Mallay (Mining operation) US\$(000)	Colquijirca (Mining operation) US\$(000)	La Zanja (Mining operation) US\$(000)	Exploration and developmen t mining projects US\$(000)	Construction and engineering US\$(000)	Energy generation and transmission US\$(000)	Insurance brokerage US\$(000)	Rental of mining concessions US\$(000)	Holding of investment in shares US\$(000)	Industrial activities US\$(000)	Corporate US\$(000)	Sub Total US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
As of September 30, 2016																	
Results:																	
Continuing operations:																	
Operating income																	
Net sale of goods	181,696	187,459	42,131	36,007	149,044	137,622	-	-	-	-	-	-	3,551	145,471	882,981	(136,671)	746,310
Net sale of services	-	-	-	-	-	-	-	9,299	41,393	5,986	-	461	14,530	-	71,669	(54,810)	16,859
Royalty income	-	-	-	-	-	-	-	-	-	-	18,493	-	-	-	18,493	-	18,493
Total operating income	181,696	187,459	42,131	36,007	149,044	137,622	-	9,299	41,393	5,986	18,493	461	18,081	145,471	973,143	(191,481)	781,662
Operating costs																	
Cost of sales, excluding depreciation and amortization	(87,068)	(73,279)	(17,136)	(17,309)	(128,894)	(57,947)	-	-	-	-	-	-	(672)	(147,295)	(529,600)	166,406	(363,194)
Cost of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(7,372)	(18,791)	-	-	-	(6,393)	-	(32,556)	24,205	(8,351)
Depreciation and amortization	(13,436)	(8,687)	(5,030)	(9,264)	(37,843)	(47,423)	(8)	(142)	(7,529)	-	(14)	(166)	(7,751)	(748)	(138,041)	-	(138,041)
Exploration in operating units	(21,689)	(30,666)	(8,035)	(5,713)	-	(103)	-	-	-	-	-	-	-	-	(66,206)	-	(66,206)
Mining royalties	(1,106)	(16,682)	(246)	(217)	(1,445)	(679)	-	-	-	-	-	-	-	-	(20,375)	-	(20,375)
Total operating costs	(123,299)	(129,314)	(30,447)	(32,503)	(168,182)	(106,152)	(8)	(7,514)	(26,320)	-	(14)	(166)	(14,816)	(148,043)	(786,778)	190,611	(596,167)
Gross profit (loss)	58,397	58,145	11,684	3,504	(19,138)	31,470	(8)	1,785	15,073	5,986	18,479	295	3,265	(2,572)	186,365	(870)	185,495
Operating income (expenses), net																	
Administrative expenses	(10,243)	(10,567)	(2,289)	(2,114)	(8,480)	(1,641)	(3,752)	(3,305)	(1,629)	(8,164)	(111)	(186)	(381)	(9,790)	(62,652)	4,604	(58,048)
Exploration in non-operating areas	-	-	-	-	(1,533)	(2,044)	(8,865)	-	-	-	-	-	-	(3,249)	(15,691)	867	(14,824)
Selling expenses	(3,347)	(597)	(609)	(1,208)	(7,681)	(732)	-	-	(856)	-	-	-	(773)	(61)	(15,864)	218	(15,646)
Reversal (provision) for contingencies	922	(2)	(1,455)	62	-	-	(427)	(191)	(229)	-	-	-	-	1,191	(129)	-	(129)
Other, net	(310)	860	136	72	1,965	3,404	2,505	1,848	2,224	-	11	(13)	387	4,023	17,112	(6,551)	10,561
Total operating income (expenses), net	(12,978)	(10,306)	(4,217)	(3,188)	(15,729)	(1,013)	(10,539)	(1,648)	(490)	(8,164)	(100)	(199)	(767)	(7,886)	(77,224)	(862)	(78,086)
Operating profit (loss)	45,419	47,839	7,467	316	(34,867)	30,457	(10,547)	137	14,583	(2,178)	18,379	96	2,498	(10,458)	109,141	(1,732)	107,409
Other income (expense), net																	
Share in the results of associates under equity method	-	-	-	-	-	-	-	-	640	2	-	(18,801)	-	33,574	15,415	21,807	37,222
Financial income	3	3	1	-	251	20	-	5	530	38	-	2	-	5,208	6,061	-	6,061
Net gain (loss) from currency exchange difference	(151)	(8)	(11)	(38)	(445)	(74)	349	(16)	(288)	369	(85)	3	27	1,623	1,255	-	1,255
Financial costs	(297)	(197)	(87)	(41)	(8,801)	(1,957)	(260)	(443)	(8,004)	(32)	(2)	(14)	(734)	(7,118)	(27,987)	1,402	(26,585)
Total other income (expense), net	(445)	(202)	(97)	(79)	(8,995)	(2,011)	89	(454)	(7,122)	377	(87)	(18,810)	(707)	33,287	(5,256)	23,209	17,953
Profit (loss) before income tax	44,974	47,637	7,370	237	(43,862)	28,446	(10,458)	(317)	7,461	(1,801)	18,292	(18,714)	1,791	22,829	103,885	21,477	125,362
Current income tax	(1,582)	(1,702)	(370)	(319)	-	(17,163)	(253)	-	(315)	-	(5,128)	-	(218)	(5,309)	(32,359)	-	(32,359)
Deferred income tax	-	-	-	-	7,645	7,047	-	(79)	(5,088)	(20)	-	-	(457)	(14,314)	(5,266)	-	(5,266)
Profit (loss) from continued operations	43,392	45,935	7,000	(82)	(36,217)	18,330	(10,711)	(396)	2,058	(1,821)	13,164	(18,714)	1,116	3,206	66,260	21,477	87,737
Discontinued operations																	
Loss from discontinued operations																	(6,382)
Net profit																	81,355
Other disclosures:																	
Total assets as of September 30, 2016	92,179	53,426	24,766	21,423	743,620	243,058	549,271	24,207	389,214	2,730	7,524	842,689	118,928	3,176,983	6,290,018	(1,655,418)	4,634,600
Total liability as of September 30, 2016	26,116	33,795	18,426	7,893	334,682	111,242	17,580	13,118	229,823	2,031	2,720	131	28,840	523,262	1,349,659	(183,246)	1,166,413

Notes to the interim consolidated financial statements (unaudited) (continued)

	Uchucchacua (Mining operation) US\$(000)	Orcopampa (Mining operation) US\$(000)	Julcani (Mining operation) US\$(000)	Mallay (Mining operation) US\$(000)	Colquijirca (Mining operation) US\$(000)	La Zanja (Mining operation) US\$(000)	Exploration and developmen t mining projects US\$(000)	Construction and engineering US\$(000)	Energy generation and transmission US\$(000)	Insurance brokerage US\$(000)	Rental of mining concessions US\$(000)	Holding of investment in shares US\$(000)	Industrial activities US\$(000)	Corporate US\$(000)	Sub Total US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
As of September 30, 2015																	
Results:																	
Continuing operations:																	
Operating income																	
Net sale of goods	117,518	195,942	36,671	24,099	123,084	119,668	-	-	-	-	-	-	2,399	126,640	746,021	(119,518)	626,503
Net sale of services	-	-	-	-	-	-	-	45,537	34,599	6,178	-	-	9,911	-	96,225	(53,527)	42,698
Royalty income	-	-	-	-	-	-	-	-	-	-	25,200	-	-	-	25,200	-	25,200
Total operating income	117,518	195,942	36,671	24,099	123,084	119,668	-	45,537	34,599	6,178	25,200	-	12,310	126,640	867,446	(173,045)	694,401
Operating costs																	
Cost of sales, excluding depreciation and amortization	(90,847)	(84,421)	(19,012)	(15,482)	(109,278)	(87,133)	-	-	-	-	-	-	(6,085)	(126,947)	(539,205)	158,295	(380,910)
Cost of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(43,122)	(13,052)	-	-	-	(7,079)	-	(63,253)	16,935	(46,318)
Exploration in operating units	(18,929)	(31,696)	(9,844)	(5,504)	-	(36)	-	-	-	-	-	-	-	1	(66,008)	-	(66,008)
Depreciation and amortization	(11,003)	(12,978)	(8,367)	(11,288)	(31,813)	(77,683)	-	(650)	(7,734)	-	(51)	(170)	(6,859)	(782)	(169,378)	300	(169,078)
Mining royalties	(1,145)	(18,839)	(338)	(235)	-	(1,187)	-	-	-	-	-	-	-	-	(21,744)	(100)	(21,844)
Total operating costs	(121,924)	(147,934)	(37,561)	(32,509)	(141,091)	(166,039)	-	(43,772)	(20,786)	-	(51)	(170)	(20,023)	(127,728)	(859,588)	175,430	(684,158)
Gross profit (loss)	(4,406)	48,008	(890)	(8,410)	(18,007)	(46,371)	-	1,765	13,813	6,178	25,149	(170)	(7,713)	(1,088)	7,858	2,385	10,243
Operating income (expenses), net																	
Administrative expenses	(7,382)	(13,037)	(2,413)	(1,634)	(13,817)	(1,200)	(1,169)	(3,122)	(2,218)	(7,902)	(80)	(166)	(365)	(8,949)	(63,454)	4,648	(58,806)
Selling expenses	(2,399)	(656)	(860)	(1,057)	(5,439)	(954)	-	-	(611)	-	-	-	(723)	(3)	(12,702)	1	(12,701)
Exploration in non-operating areas	-	-	-	-	(1,765)	(8,411)	(12,353)	-	-	-	-	-	-	(4,638)	(27,167)	1,507	(25,660)
Provision for impairment of long-lived assets	-	-	-	-	-	(3,803)	-	-	-	-	-	-	-	-	(3,803)	-	(3,803)
Other, net	(496)	(511)	(241)	(25)	25	411	(340)	2,848	284	(5)	-	636	42	5,390	8,018	(10,743)	(2,725)
Total operating income (expenses), net	(10,277)	(14,204)	(3,514)	(2,716)	(20,996)	(13,957)	(13,862)	(274)	(2,545)	(7,907)	(80)	470	(1,046)	(8,200)	(99,108)	(4,587)	(103,695)
Operating profit (loss)	(14,683)	33,804	(4,404)	(11,126)	(39,003)	(60,328)	(13,862)	1,491	11,268	(1,729)	25,069	300	(8,759)	(9,288)	(91,250)	(2,202)	(93,452)
Other income (expense), net																	
Share in the results of associates under equity method	-	-	-	-	-	-	-	16,232	1,499	-	-	49,620	-	7,978	75,329	(13,708)	61,621
Financial income	4	3	1	-	12	12	-	182	22	1	-	-	-	2,203	2,440	1	2,441
Net gain (loss) from currency exchange difference	304	402	194	49	(2,410)	(1,076)	(1,269)	(737)	(1,029)	(175)	23	3	(1,297)	(515)	(7,533)	16	(7,517)
Financial costs	(147)	(165)	(112)	(23)	(7,227)	(3,102)	(102)	(1,169)	(6,525)	(9)	(1)	(2)	(627)	(3,195)	(22,406)	1,328	(21,078)
Total other income (expense), net	161	240	83	26	(9,625)	(4,166)	(1,371)	14,508	(6,033)	(183)	22	49,621	(1,924)	6,471	47,830	(12,363)	35,467
Profit (loss) before income tax	(14,522)	34,044	(4,321)	(11,100)	(48,628)	(64,494)	(15,233)	15,999	5,235	(1,912)	25,091	49,921	(10,683)	(2,817)	(43,420)	(14,565)	(57,985)
Current income tax	(13)	(21)	(7)	(3)	(1,186)	(1,881)	-	-	(257)	-	(7,126)	(63)	-	-	(10,557)	1	(10,556)
Deferred income tax	-	-	-	-	6,160	18,174	-	20	(2,426)	-	-	-	993	(8,431)	14,490	-	14,490
Profit (loss) from continued operations	(14,535)	34,023	(4,328)	(11,103)	(43,654)	(48,201)	(15,233)	16,019	2,552	(1,912)	17,965	49,858	(9,690)	(11,248)	(39,487)	(14,564)	(54,051)
Discontinued operations																	
Loss from discontinued operations																	(6,197)
Net loss																	(60,248)
Other disclosures:																	
Total assets as of December 31, 2015	86,961	51,746	27,228	24,279	739,941	220,331	457,197	31,463	393,318	5,979	9,397	997,835	118,012	3,083,110	6,246,797	(1,699,616)	4,547,181
Total liability as of December 31, 2015	16,663	14,817	6,538	2,803	364,455	106,846	4,572	29,599	235,695	3,457	3,508	2,831	31,479	474,363	1,297,626	(139,681)	1,157,945

Nº 0055420



COLEGIO DE CONTADORES PÚBLICOS DE LIMA

AV. AREQUIPA Nº 998 Y AV. ALEJANDRO TIRADO Nº 181 - SANTA BEATRIZ - LIMA
TELEF.: 230-3000

R.U.C. 20106620106

Nº
55298

Constancia de Habilitación

La Decana y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que en base a los registros de la institución, se ha verificado que

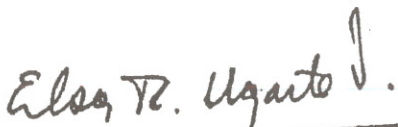
PAREDES, ZALDIVAR, BURGA & ASOCIADOS SOC. CIVIL DE
RESPONSABILIDAD LIMITADA
MATRICULA 50761


Se encuentra habilitada a la fecha, para el ejercicio de las funciones profesionales que le faculta la Ley Nº 13253 y su modificatoria Ley Nº 28951 y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente. Esta constancia tiene vigencia hasta el

31/03/2017

Lima,

19 de Febrero de 2016


CPCC Elsa Rosario Ugarte Vásquez
Decana


CPCC Moisés Manuel Penadillo Castro
Director Secretario

Verifique su validez en: www.ccpl.org.pe

Comprobante de Pago:

019-00059325

Verifique la validez del comprobante de pago en: www.sunat.gob.pe