

DRAFT

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

Unaudited interim consolidated financial statements as of March 31, 2015
and 2014 and for the three-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 statements of financial position of Compañía de Minas Buenaventura S.A.A. (a Peruvian public corporation) and Subsidiaries (together the "Group") as of March 31, 2015, the interim consolidated statements of change in equity for the three-month periods ended March 31, 2015 and 2014, and the interim consolidated statements of profit or loss, statement of comprehensive income, and cash flows for the three-month periods ended March 31, 2015 and 2014, 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 generally accepted auditing standards in Peru 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
April 27, 2015

Countersigned by:

Víctor Burga
C.P.C.C. Register No.14859

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

Consolidated statements of financial position

As of March 31, 2015 (unaudited) and December 31, 2014 (audited)

	Note	2015 US\$(000)	2014 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	4	134,940	78,512
Trade and other receivables, net	5(a)	262,703	281,604
Inventories, net	7	145,579	150,284
Income tax credit		51,941	53,746
Prepaid expenses		15,801	16,954
Derivative financial instruments	6(a)	3,218	3,688
		<u>614,182</u>	<u>584,788</u>
Assets held for sale	1(d)	17,443	18,683
		<u>631,625</u>	<u>603,471</u>
Non-current assets			
Trade and other receivables, net	5(a)	27,786	26,651
Long-term inventories	7	30,100	34,088
Investments in associates	8(a)	2,258,603	2,224,381
Mining concessions, development costs, property, plant and equipment, net	9(a)	1,729,685	1,715,452
Investment properties, net		11,065	11,200
Deferred income tax asset, net		42,079	47,675
Intangibles, net		4,538	4,592
Other assets		4,764	4,764
		<u>4,108,620</u>	<u>4,068,803</u>
Total assets		<u>4,740,245</u>	<u>4,672,274</u>
Liabilities and shareholders' equity, net			
Current liabilities			
Overdrafts and bank loans	10	88,081	40,000
Trade and other payables	11(a)	225,204	254,000
Provisions	12	66,485	67,895
Income tax payable		5,917	3,556
Embedded derivatives for concentrates sales, net	6(b)	2,416	9,072
Financial obligations	13(a)	77,300	69,950
		<u>465,403</u>	<u>444,473</u>
Liabilities directly associated with the assets held for sale	1(d)	27,229	28,890
		<u>492,632</u>	<u>473,363</u>
Non-current liabilities			
Trade and other payables	11(a)	15,289	15,240
Provisions	12	108,574	63,571
Financial obligations	13(a)	310,987	313,355
Contingent consideration liability		23,026	23,026
Deferred income tax liability, net		20,942	21,594
		<u>478,818</u>	<u>436,786</u>
Total liabilities		<u>971,450</u>	<u>910,149</u>
Shareholders' equity, net			
Capital stock		750,497	750,497
Investment shares		1,396	1,396
Additional paid-in capital		219,055	219,055
Legal reserve		162,710	162,710
Other reserves		269	269
Retained earnings		2,345,742	2,328,423
Other reserves of equity		1,590	1,755
		<u>3,481,259</u>	<u>3,464,105</u>
Shareholders' equity, net attributable to equity holders of the parent		3,481,259	3,464,105
Non-controlling interest		287,536	298,020
Total shareholders' equity, net		<u>3,768,795</u>	<u>3,762,125</u>
Total liabilities and shareholders' equity, net		<u>4,740,245</u>	<u>4,672,274</u>

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

Interim consolidated statements of profit or loss (unaudited)

For the three-month periods ended March 31, 2015 and 2014

	Note	2015 US\$(000)	2014 (US\$000)
Continuing operations			
Operating income			
Net sales	15(a)	242,932	272,877
Royalty income	22(a)	9,090	8,025
Total operating income		<u>252,022</u>	<u>280,902</u>
Operating costs			
Cost of sales, excluding depreciation and amortization	16	(136,477)	(139,438)
Depreciation and amortization		(54,619)	(45,398)
Exploration in operating units	17	(22,470)	(23,730)
Mining royalties	18	(8,525)	(7,353)
Total operating costs		<u>(222,091)</u>	<u>(215,919)</u>
Gross profit		<u>29,931</u>	<u>64,983</u>
Operating expenses, net			
Administrative expenses	19	(21,516)	(27,651)
Exploration in non-operating areas		(10,697)	(10,374)
Provision for contingencies		250	(7,507)
Selling expenses		(4,190)	(3,992)
Other, net		280	(1,475)
Total operating expenses, net		<u>(35,873)</u>	<u>(50,999)</u>
Operating profit (loss)		<u>(5,942)</u>	<u>13,984</u>
Other income (expense), net			
Financial income		644	1,806
Net share in the results of associates	8(b)	36,274	(4,480)
Financial expenses		(5,879)	(2,901)
Net loss from currency exchange difference		(2,318)	(522)
Total other income (expense), net		<u>28,721</u>	<u>(6,097)</u>
Profit before income tax		<u>22,779</u>	<u>7,887</u>
Current income tax	20(a)	(5,377)	(7,805)
Deferred income tax	20(a)	(5,050)	483
Net profit (loss) from continuing operations		<u>12,352</u>	<u>565</u>
Discontinued operations			
Loss from discontinued operations	1(d)	(2,104)	(10,937)
Net profit (loss) for the period		<u>10,248</u>	<u>(10,372)</u>
Attributable to:			
Equity holders of the parent		17,319	(16,112)
Non-controlling interest		(7,071)	5,740
		<u>10,248</u>	<u>(10,372)</u>
Basic and diluted profit (loss) per share attributable to equity holders of the parent, stated in U.S. dollars		<u>0.07</u>	<u>(0.06)</u>
Profit (loss) for continuing operations, basic and diluted per share attributable to equity holders of the parent, stated in U.S. dollars		<u>0.08</u>	<u>(0.02)</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries
Interim consolidated statements of other comprehensive income (unaudited)

For the three-month periods ended March 31, 2015 and 2014

	2015 US\$(000)	2014 US\$(000)
Net profit (loss)	<u>10,248</u>	<u>(10,372)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Net unrealized gain (loss) on hedging derivative financial instruments of subsidiaries and associates	(431)	4,825
Income tax effect	<u>121</u>	<u>(1,670)</u>
	<u>(310)</u>	<u>3,155</u>
Total other comprehensive income (loss)	<u>9,938</u>	<u>(7,217)</u>
Attributable to:		
Equity holders of the parent	17,154	(14,406)
Non-controlling interest	<u>(7,216)</u>	<u>7,189</u>
	<u>9,938</u>	<u>(7,217)</u>

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

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

For the three-month periods ended March 31, 2015 and 2014

	Attributable to equity holders of the parent										
	Capital stock, net of treasury shares									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)	Total US\$(000)		
As of January 1, 2014	253,715,190	750,497	269	219,055	162,663	269	2,413,130	104	3,547,114	291,006	3,838,120
Net profit (loss)	-	-	-	-	-	-	(16,112)	-	(16,112)	5,740	(10,372)
Other comprehensive income	-	-	-	-	-	-	-	1,706	1,706	1,449	3,155
Total other comprehensive income	-	-	-	-	-	-	(16,112)	1,706	(14,406)	7,189	(7,217)
Dividends declared, note 14	-	-	-	-	-	-	(2,796)	-	(2,796)	(1,960)	(4,756)
Expired dividends	-	(43)	-	(416)	-	-	-	-	25	-	25
As of March 31, 2014	<u>253,415,190</u>	<u>750,497</u>	<u>269</u>	<u>219,055</u>	<u>162,688</u>	<u>269</u>	<u>2,394,222</u>	<u>1,810</u>	<u>3,529,937</u>	<u>296,235</u>	<u>3,826,172</u>
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 profit (loss)	-	-	-	-	-	-	17,319	-	17,319	(7,071)	10,248
Other comprehensive income	-	-	-	-	-	-	-	(165)	(165)	(145)	(310)
Total other comprehensive income	-	-	-	-	-	-	17,319	(165)	17,154	(7,216)	9,938
Dividends declared, note 14	-	-	-	-	-	-	-	-	-	(3,268)	(3,268)
As of March 31, 2015	<u>253,715,190</u>	<u>750,497</u>	<u>1,396</u>	<u>219,055</u>	<u>162,710</u>	<u>269</u>	<u>2,345,742</u>	<u>1,590</u>	<u>3,481,259</u>	<u>287,536</u>	<u>3,768,795</u>

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

Interim consolidated statements of cash flows (unaudited)

For the three-month periods ended March 31, 2015 and 2014

	2015 US\$(000)	2014 US\$(000)
Operating activities		
Proceeds from sales	231,779	266,854
Value added tax recovered	33,367	17,704
Royalties received	13,444	6,995
Dividends received	2,057	2,377
Interest received	942	2,125
Payments to suppliers and third parties	(176,835)	(199,734)
Payments to employees	(45,328)	(55,620)
Payments of royalties	(6,198)	(7,453)
Income tax paid	(4,141)	(5,411)
Payments of interest	(5,470)	(1,948)
Net cash and cash equivalents provided by operating activities	<u>43,617</u>	<u>25,889</u>
Investing activities		
Proceeds from collection of loans to associates	-	9,032
Proceeds from sale of mining concessions and property, plant and equipment	134	23
Payments for mine development activities and acquisitions of mining concessions, property, plant and equipment	(34,118)	(85,278)
Contributions in associates	-	(1,003)
Net cash and cash equivalents used in investing activities	<u>(36,984)</u>	<u>(77,226)</u>
Financing activities		
Proceeds from bank loans	88,081	-
Payments of bank loans	(40,000)	-
Proceeds from financial obligations	10,000	74,659
Payments of financial obligations	(5,018)	(4,540)
Dividends paid to non-controlling interest	(3,268)	(1,960)
Net cash and cash equivalents provided by financing activities	<u>49,795</u>	<u>68,159</u>
Increase in cash and cash equivalents for the period, net	56,428	16,822
Cash and cash equivalents at beginning of period	78,512	61,898
Cash and cash equivalents at end of period	<u>134,940</u>	<u>78,720</u>
Financing activities not affecting cash flows		
Dividends declared and unpaid	-	2,796

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

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

	2015 US\$(000)	2014 US\$(000)
Reconciliation of net profit (loss) to cash and cash equivalents provided by operating activities		
Net profit (loss) attributable to shareholders of the parent	17,319	(16,112)
Plus (less):		
Depreciation and amortization	54,619	45,398
Net profit (loss) attributable to non-controlling interest	(7,071)	5,740
Provision for employee bonus	8,175	11,897
Deferred income tax expense (income)	5,050	(483)
Net loss from currency exchange difference	2,318	522
Accretion expense of provision for closure of mining units and exploration projects	275	1,443
Provision for stock appreciation rights	115	1,931
Provision for impairment of long-lived assets	-	794
Net share in the results of associates under equity method	(36,274)	4,480
Provision for estimated fair value of embedded derivatives related to concentrate sales and adjustments on open liquidations	(6,656)	9,449
Reversal of impairment of inventories	(1,252)	(3,042)
Loss (gain) on sales of mining concessions, property, plant and equipment	1,314	(23)
Other provisions	(4,732)	3,081
Net changes in operating assets and liabilities:		
Decrease (increase) in operating assets -		
Trade and other accounts receivable, net	20,694	1,464
Inventories, net	27,801	20,189
Income tax credit	1,699	(5,594)
Prepaid expenses	1,160	833
Increase (decrease) in operating liabilities -		
Trade and other accounts payable	(34,645)	(42,740)
Income tax payable	2,361	254
Provisions	(8,653)	(13,592)
Net cash and cash equivalents provided by operating activities	43,617	25,889

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

Notes to the interim consolidated financial statements (unaudited)

As of March 31, 2015 and 2014

1. Identification and business activity

(a) Identification -

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

(b) Business activity -

The Company and its Subsidiaries (hereinafter “the Group”) are principally engaged in the exploration, mining, concentration, smelting and marketing of polymetallic ores and metals.

The Group operates directly five operating mining units located in Peru (Uchucchacua, Orcopampa, Julcani, Mallay, Breapampa), four mining units held for sale (Poracota, Recuperada, Antapite and Shila-Paula) 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 mine, in Minera La Zanja S.R.L. (hereinafter “La Zanja”) which operates La Zanja mine, and in other entities engaged in mining, energy and services activities.

- (c) The interim consolidated financial statements include the financial statements of the following subsidiaries:

	Country of incorporation and operation	Ownership as of March 31, 2015	
		Direct %	Indirect %
Investments and mining concessions held, exploration and exploitation of minerals			
Compañía Minera Condesa S.A.	Peru	100.00	-
Compañía Minera Colquirrumi S.A.	Peru	100.00	-
Sociedad Minera El Brocal S.A.A. (*)	Peru	2.71	51.36
Inversiones Colquijirca S.A. (*)	Peru	99.99	-
S.M.R.L. Chaupiloma Dos de Cajamarca	Peru	20.00	40.00
Minera La Zanja S.R.L.	Peru	53.06	-
Minera Julcani S.A. de C.V.	Mexico	100.00	-
Compañía de Minas Buenaventura Chile Ltda.	Chile	90.00	10.00
El Molle Verde S.A.C.	Peru	99.98	0.02
Apu Coropuna S.R.L.	Peru	70.00	-
Metalúrgica Los Volcanes S.A.	Peru	100.00	-
Cerro Hablador S.A.C.	Peru	99.00	1.00
Minera Azola S.A.C.	Peru	99.00	1.00
Compañía Minera Nueva Italia S.A.	Peru	-	93.08
Electric power activity			
Consorcio Energético de Huancavelica S.A.	Peru	100.00	-
Empresa de Generación Huanza S.A.	Peru	-	100.00
Empresa de Generación Huaura S.A.C.	Peru	0.01	99.99
Services			
Buenaventura Ingenieros S.A.	Peru	99.99	0.01
Bisa Construcción S.A.	Peru	-	100.00
Contacto Corredores de Seguros S.A.	Peru	0.02	99.98
Bisa Argentina S.A.	Argentina	56.42	43.58
Industrial activities			
Procesadora Industrial Río Seco S.A.	Peru	100.00	-

- (*) As of March 31, 2015, the participation of the Company in the voting rights of El Brocal is 53.72 percent. Inversiones Colquijirca S.A. (hereafter "Colquijirca"), a Group's subsidiary (99.99 percent as of March 31, 2015), has a 51.06 percent interest in El Brocal's capital stock, through which the Company holds an indirect participation in El Brocal of 51.36 percent as of March 31, 2015.

(d) Discontinued operations -

In 2014, the Group publicly announced its decision to sell its four paralyzed mining units mentioned in note 1(b) of the consolidated financial statements as of December 31, 2014; as a consequence, they are presented as mining units held for sale. According to IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, the related assets and liabilities are presented in the consolidated statement of financial position at the lower of cost and fair value less cost to sale. As of March 31, 2015, the sale of these discontinued mining units is still in course, expected through sale to third parties.

The major classes of assets and liabilities of these four mining units held for sale are presented below:

	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
Assets		
Cash	12	18
Trade and other receivables, net	716	849
Inventories, net	2,433	2,581
Prepaid expenses	190	197
Mining concessions, development costs, property, plant and equipment, net	14,092	15,038
Assets classified as held for sale	17,443	18,683
Liabilities		
Trade and other payables	(4,711)	(5,224)
Provisions	(22,518)	(23,666)
Liabilities directly associated with the assets held for sale	(27,229)	(28,890)

The results of the four mining units held for sale for the three-month periods ended March 31, 2015 and 2014 are presented below:

	2015 US\$(000)	2014 US\$(000)
Operating income		
Net sales	390	2,504
Total income	<u>390</u>	<u>2,504</u>
Operating costs		
Cost of sales, excluding depreciation and amortization	(2,295)	(3,001)
Exploration	(59)	(7,998)
Depreciation and amortization	-	(740)
Mining royalties	(4)	(25)
Total operating costs	<u>(2,358)</u>	<u>(11,764)</u>
Gross loss	<u>(1,968)</u>	<u>(9,260)</u>
Operating income (expense), net		
Administrative expenses	(40)	(258)
Provision for contingencies	(18)	(134)
Selling expenses	(1)	(178)
Provision for impairment of long-lived assets	-	(794)
Other, net	7	151
Total operating income (expense), net	<u>(52)</u>	<u>(1,213)</u>
Operating loss	<u>(2,020)</u>	<u>(10,473)</u>
Other income (expense), net		
Finance costs	(139)	(490)
Net gain from currency exchange difference	55	26
Total other income (expense), net	<u>(84)</u>	<u>(464)</u>
Loss associated with the mining units classified as held for sale	<u>(2,104)</u>	<u>(10,937)</u>

Basic and diluted earnings per share for the three-month periods ended March 31, 2015 and 2014, resulting from the discontinued operations are as follow:

	2015 US\$	2014 US\$
Basic and diluted loss per share	<u>(0.01)</u>	<u>(0.04)</u>

2. Basis of preparation and presentation, and changes in the 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.

The unaudited interim consolidated financial statements have been prepared on a historical cost basis, from the records of the Group, except for financial assets and liabilities presented 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, 2014 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 unaudited interim consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2014.

Several standards and amendments apply from January 1, 2015, however, they do not impact the unaudited interim consolidated financial statements of the Group as of March 31, 2015.

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 March 31, 2015	As of December 31, 2014
	US\$(000)	US\$(000)
Cash	1,595	1,371
Bank accounts (i)	67,655	33,115
Time deposits (ii)	65,690	44,026
	<u>134,940</u>	<u>78,512</u>

- (i) Bank accounts, which are principally denominated in U.S. dollars and Nuevos Soles, earn interest at floating rates based on market rates.
- (ii) As of March 31, 2015, time deposits were kept in prime financial institutions, which generated interest at annual rates ranging from 0.13 to 3.85 percent and had original maturities of one to nine days, according to the immediate cash needs of the Group. As of December 31, 2014, time deposits were kept in prime financial institutions, which generated interest at annual rates ranging from 0.10 to 4.00 percent and had original maturities of six to seven days, according to the immediate cash needs of the Group.

5. Trade and other receivables, net

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

	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
Trade receivables, net (b)		
Domestic customers	102,218	107,638
Foreign customers	76,340	59,377
Related parties, note 21(b)	10,727	15,081
	<u>189,285</u>	<u>182,096</u>
Allowance for doubtful accounts (c)	(21,741)	(21,741)
	<u>167,544</u>	<u>160,355</u>
Other receivables		
Value added tax credit	55,009	76,532
Refund application of value added tax credit	29,415	30,529
Tax deposits	12,488	13,843
Due from third parties	4,617	13,853
Claims to third parties	4,218	3,764
Guarantee funds	2,338	2,734
Loans to employees	1,809	1,588
Advances to suppliers	1,686	720
Related parties, note 21(b)	833	334
Other accounts receivable	10,532	4,003
	<u>122,945</u>	<u>147,900</u>
Total trade and other receivables, net	<u>290,489</u>	<u>308,255</u>
Classification by maturity:		
Current portion	262,703	281,604
Non-current portion	27,786	26,651
	<u>290,489</u>	<u>308,255</u>

- (b) The increase in trade receivables balance as of March 31, 2015 as compared to the balance as of December 31, 2014 was mainly due to higher amount of revenue from foreign customers caused by the higher prices of gold and silver as of March 31, 2015, compared to those existing as of December 31, 2014.
- (c) The provision for doubtful accounts has shown no movement during the three-month period ended March 31, 2015. In the opinion of the Group's Management, the balance of the provision for doubtful accounts is sufficient to cover adequately the risks of failure to date of the interim consolidated statements of financial position.

6. Derivative financial instruments

(a) Hedge copper price operations -

El Brocal's operating activities includes extraction, production, concentration and commercialization of polymetallic ores, mainly copper. The volatility of copper's price since the year 2013 has caused that El Brocal's management decided to enter into future contracts. These contracts, which have been negotiated since August 8, 2013, are intended to reduce the volatility of cash flows attributable to the fluctuations in the copper price, according to the risk strategy approved by El Brocal's Board of Directors. The contracts have a maturity date in December 2015, and they are related to 50 percent of the annual production of copper as of March 31, 2015.

As of March 31, 2015 and December 31, 2014, fair value of open futures contracts of El Brocal amounts to an asset of US\$3,218,000 and US\$3,688,000, respectively. Net change for the three-month period ended March 31, 2015, corresponds to an unrealized gain amounted to US\$316,000, which is included as other comprehensive income for the period, in the unaudited interim consolidated statements of other comprehensive income.

(b) Embedded derivatives for concentrates sales, net -

The Group's sales of concentrates are based on commercial contracts, under which a provisional sales 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 of London Metal Exchange at the dates of the expected settlements of the open positions at the date of the consolidated statement of financial position.

As of March 31, 2015 and as of December 31, 2014, fair value of embedded derivatives for concentrates sales is presented as a liability amounted to US\$2,416,000 and US\$9,072,000, respectively. 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, see note 15(a).

7. Inventories, net

(a) This caption is made up as follow:

	As of March 31, 2015	As of December 31, 2014
	US\$(000)	US\$(000)
Finished goods	28,365	32,375
Products in process	113,361	119,239
Spare parts and supplies	40,429	40,493
	<u>182,155</u>	<u>192,107</u>
Provision for impairment of value of inventories (b)	(6,476)	(7,735)
	<u>175,679</u>	<u>184,372</u>
Classification by use:		
Current portion	145,579	150,284
Non-current portion	30,100	34,088
	<u>175,679</u>	<u>184,372</u>

- (b) In the opinion of Group's Management, the provision for impairment of value of inventory adequately covers this risk as of the date of the interim consolidated statements of financial position.

8. Investments in associates

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

	Minera Yanacocha S.R.L. (c) US\$(000)	Sociedad Minera Cerro Verde S.A.A. (c) US\$(000)	Compañía Minera Coimolache S.A. US\$(000)	Other minor investments US\$(000)	Total US\$(000)
As of January 1, 2015	1,185,971	982,206	52,685	3,519	2,224,381
Dividends received	-	-	(2,057)	-	(2,057)
Share in realized net profit (loss)	26,213	7,966	2,095	-	36,274
Share in unrealized net profit (loss)	5	-	-	-	5
As of March 31, 2015	<u>1,212,189</u>	<u>990,172</u>	<u>52,723</u>	<u>3,519</u>	<u>2,258,603</u>

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

	For the three-month periods ended March 31,	
	2015 US\$(000)	2014 US\$(000)
Sociedad Minera Cerro Verde S.A.A.	26,213	(24,485)
Compañía Minera Coimolache S.A.	7,966	15,711
Minera Yanacocha S.R.L.	2,095	4,791
Canteras del Hallazgo S.A.C.	-	(79)
Other minor investments	-	(418)
	<u>36,274</u>	<u>(4,480)</u>

- (c) Investments held by the Group in its associates Minera Yanacocha S.R.L. (through its subsidiary Compañía Minera Condesa S.A.) and Sociedad Minera Cerro Verde S.A.A., represent the most significant investments of the Group. Its operations are strategic to the Group's activities and participation in their results has been important in relation to profits (losses) of the Group during the three-month periods ended March 31, 2015 and 2014. The following relevant information on these investments is as follows:

Investment in Minera Yanacocha S.R.L. -

The Company, through its subsidiary Compañía Minera Condesa S.A., holds 43.65 percent of the capital stock of Minera Yanacocha S.R.L. (hereinafter "Yanacocha"). This entity has a gold mine located in Cajamarca, Peru, and is engaged in gold production and exploration and development of gold and copper in their own concessions or concessions owned by S.M.R.L. Chaupiloma Dos de Cajamarca, with which signed a contract of use of mineral rights.

During the last several years, Yanacocha has been developing the Conga project, which consists in two deposits of gold and porphyry of copper located at northeast of the Yanacocha operating area in the provinces of Celendin, Cajamarca and Hualgayoc, in Cajamarca region.

Due to local political and community protests by a potential impact on water resources, construction and development activities at the Conga project are suspended since November 2011. Currently, Yanacocha's management is developing only the water sustainability activities recommended by independent experts, mainly, construction of water reservoirs, before to carrying out any development activities of the project.

Investment in Sociedad Minera Cerro Verde S.A.A. -

Sociedad Minera Cerro Verde S.A.A. (hereinafter "Cerro Verde") is involved in extracting, producing and marketing of cathodes and copper concentrate from its mining unit located in Uchumayo, Arequipa, Peru.

Tax contingency

On June 23, 2004, Law No.28258 -Mining Royalty Law, was approved, and requires the holders of mining concessions to pay a royalty return for the exploitation of metallic and non-metallic mining resources, which is calculated using rates from one to three percent of the value of concentrate or its equivalent, according to the international market prices of the commodity published by the Ministry of Energy and Mines.

Based on the 1998 stability agreement, the payment of mining royalties was not applicable to Cerro Verde, because the contribution was created after Cerro Verde signed the stability contract with the Peruvian Government. However, beginning in 2014, Cerro Verde began paying royalties and a new special mining tax for all of its production base under its current 15-year stability agreement. For the year ended December 31, 2014, the Cerro Verde recognized US\$24,927,000 of special mining tax and US\$27,189,000 of mining royalties in current income tax expense.

The Peruvian tax authority (SUNAT) has assessed mining royalties related to ore processed by Cerro Verde's concentrator, which commenced operations in late 2006. Such assessments cover the period from October 2006 to December 2007, as well as years 2008 and 2009. SUNAT has issued resolutions rejecting the claims of Cerro Verde. Cerro Verde has appealed such decisions at the Tax Court. On July 23, 2013, SUNAT notified the final decision of the Tax Court confirming the assessments for the periods from October to December 2006, and for the years 2007 and 2008. By means of the decision of the Tax Court, the administrative stage for the appeal of these proceedings ended.

In September 2013, Cerro Verde filed judiciary appeals to Judiciary Court (Civil Court of the Superior Court of Arequipa) suing SUNAT, the Ministry of Energy and Mines and Tax Court for requiring Cerro Verde to pay mining royalties during the term of the stability agreement in force until December 31, 2014. Cerro Verde believes that the Stability Agreement entered into with the Peruvian Government in 1998 (which was in force from January 1, 1999 to December 31, 2014) guarantees that all minerals extracted from their production unit are included in the stabilized tax and administrative regime, which does not include the obligation to pay the mining royalties.

On October 1, 2013, SUNAT issued a payment order to Cerro Verde by 492 million of Nuevos Soles (US\$165 million based on current exchange rates, including interest and penalties of US\$97 million). As permitted by law, Cerro Verde requested and was granted an installment payment program that defers

payment for six months and thereafter satisfies the amount via 66 equal monthly payments. During year 2014, Cerro Verde has made payments of 113 million of Nuevos Soles (US\$39.7 million based on current exchange rates), according to the payment schedule set with SUNAT, which are included as a non-current asset in the consolidated statement of financial position.

As of March 31, 2015, no amounts have been accrued for these assessments or the installment payment program, because Cerro Verde believes its 1998 stability agreement exempts it from these royalties and believes any payments will be recoverable.

In July 2013, a hearing on SUNAT's assessment for 2009 was held, but no decision has been issued yet by the Tax Tribunal for that year.

On December 17, 2014, Peru's Eighteenth Contentious Administrative Court rendered its decision upholding Cerro Verde's position and nullifying SUNAT's assessment and the Tax Tribunal's resolution related to royalty's payment for year 2008 (amounted to 106.4 million of Nuevos Soles). The court's position also invalidates all penalties and interest assessed by SUNAT for that period for a total amount of 139.7 million of Nuevos Soles. The only aspect that the court denied was the refund of all payments made under protest; however, once Cerro Verde presents the court with sufficient evidence, Cerro Verde believes the court will render a decision that these payment will be refunded. As of March of 31, 2015, SUNAT and the Tax Tribunal appealed this decision.

In Cerro Verde management's and legal advisors' opinion, Cerro Verde has sound legal grounds; consequently, they expect to obtain favorable results on these legal proceedings.

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

(a) This caption is made up as follow:

	Cost US\$(000)	Accumulated depreciation / amortization US\$(000)	Provision for impairment of long-lived assets US\$(000)	Net cost US\$(000)
As of March 31, 2015	2,743,279	(1,027,827)	-	1,715,452
Additions	67,934	(52,253)	-	15,681
Disposals / sales	(1,519)	71	-	(1,448)
AS of March 31, 2015	<u>2,809,694</u>	<u>(1,080,009)</u>	<u>-</u>	<u>1,729,685</u>
As of January 1, 2014	2,534,901	(1,000,430)	(19,011)	1,515,460
Additions	93,094	(61,445)	-	31,649
Disposals / sales	(114)	114	-	-
Provision for impairment of long-lived assets	-	-	(794)	(794)
As of March 31, 2014	<u>2,809,694</u>	<u>(1,061,761)</u>	<u>(19,805)</u>	<u>1,546,315</u>

(b) Main additions during the three-month period ended March 31, 2015 were the following:

	US\$(000)
Increased assets related to mine closure costs due to changes in estimates of mine closure plan of La Zanja	35,938
Development costs of Tambomayo mining project of Buenaventura	9,651
Increased assets related to mine closure costs due to changes in estimates of mine closure plan of Julcani mining unit of Buenaventura	5,388
Stripping costs of El Brocal	4,172
Work in progress - expansion of leach pad of La Zanja	2,618
Development costs of San Gabriel mining project of Buenaventura	2,589
Replacement units purchased by Buenaventura	2,169
Operations expansion project of El Brocal	2,045
Other minors	3,364
	<u>67,934</u>

- (c) During the three-month period ended March 31, 2015, additions to depreciation and amortization decreased by US\$9,192,000 compared to the same period of 2014. This decrease is explained primarily due to (i) lower depreciation of US\$16,132,000 during the three-month period ended March 31, 2015 compared to the same period of 2014 related to the higher depreciation rate booked in 2014 as a consequence of the depletion of mine reserves in mining units of Mallay and Breapampa, and (ii) lower depreciation of US\$1,301,000 during the three-month period ended March 31, 2015 compared to the same period of 2014 in connection with the Orcopampa mining unit due to lower material sent to the tailings dumps R-3 and R-4; partially offset by: (i) higher depreciation and amortization in the La Zanja mining unit of US\$4,494,000 due to a significant increase of development costs and assets put in place during the three-month period ended March 31, 2015 compared to the same period of 2014; and (ii) higher depreciation in Procesadora Industrial Río Seco S.A., Empresa de Generación Huanza S.A. and El Brocal mining unit for US\$1,487,000, US\$1,284,000 and US\$884,000, respectively, in connection with the construction of the hydro-electric plant, industrial plant and operations expansion project put in place during the first quarter of 2015.

10. Overdrafts and bank loans

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

As of March 31, 2015:

Bank	Currency	Term	Original maturity	Annual interest rate	US\$(000)
Bank loans:					
Crédito BCP	U.S. dollars	360 days	March 2016	0.76%	39,703
Scotiabank	U.S. dollars	180 days	July 2015	0.25%	38,376
Scotiabank	U.S. dollars	173 days	July 2015	0.25%	10,000
Overdraft:					
					<u>2</u>
					<u>88,081</u>

As of December 31, 2014:

Bank	Currency	Term	Original maturity	Annual interest rate	US\$(000)
Bank loans:					
Crédito BCP (b)	U.S. dollars	365 days	August 2015	1.50%	<u>40,000</u>

- (b) This bank loan denominated in U.S. dollars, granted by Banco de Crédito del Perú in August 2014 for US\$40,000,000, was fully re-paid in March 2015 with the new borrowings obtained during the first quarter of 2015.

11. Trade and other payables

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

	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
Trade payables (b)		
Domestic suppliers	170,598	206,844
Related parties, note 21(b)	<u>1,180</u>	<u>1,794</u>
	171,778	208,638
Other payables		
Remuneration and similar benefits payable	18,660	12,879
Accounts payable to non-controlling interests	15,287	15,181
Taxes payable	9,879	13,409
Royalties payable to the Peruvian State	2,161	2,654
Dividends payable	1,038	1,117
Other liabilities	<u>21,690</u>	<u>15,362</u>
	68,715	60,602
Total trade and other payables	<u>240,493</u>	<u>269,240</u>
Classification by maturity:		
Current portion	225,204	254,000
Non-current portion	<u>15,289</u>	<u>15,240</u>
Total trade and other payables	<u>240,493</u>	<u>269,240</u>

- (a) Trade payables arise mainly from the acquisition of material, supplies and spare parts and services provided by third parties. These obligations are mostly denominated in U.S. dollars, have current maturities, accrue no interest and are not secured.

12. Provisions

This caption is made up as follow:

	As of January 1, 2015	Changes in mine closure plans	Accretion	Debit (credit) in profit or loss	Disbursements	As of March 31, 2015
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Provision for closure of mining units and exploration projects	103,010	41,615	275	-	(3,867)	141,033
Employee bonuses	-	-	-	8,175	-	8,175
Provision for security contingencies	6,475	-	-	(254)	(13)	6,208
Provision for environmental liabilities	6,708	-	-	5	(128)	6,585
Provision for environmental contingencies	1,092	-	-	84	-	1,176
Provision for obligations with local communities	2,851	-	-	-	(317)	2,534
Provision for labor contingencies	4,729	-	-	(80)	(31)	4,618
Provision for stock appreciation rights	449	-	-	115	-	564
Workers' profit sharing payable	3,916	-	-	385	(1,472)	2,829
Board of Directors' participation	1,385	-	-	796	(1,682)	499
Other provisions	851	-	-	(5)	(8)	838
	<u>131,466</u>	<u>41,615</u>	<u>275</u>	<u>9,221</u>	<u>(7,518)</u>	<u>175,059</u>
Classification by maturity:						
Current portion	67,895					66,485
Non-current portion	63,571					108,574
	<u>131,466</u>					<u>175,069</u>

13. Financial obligations

(a) This caption is made up as follow:

	Annual interest rate	Original maturity	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
Empresa de Generación Huanza S.A.				
Banco de Crédito del Perú – Finance lease (b)	Three-month Libor plus 4.00%	2020	196,465	199,170
Sociedad Minera El Brocal S.A.A.				
Banco de Crédito del Perú – Leaseback (c)	Three-month Libor plus 5.00%	2018	175,039	165,039
Other financial obligations			5,000	5,000
Buenaventura Ingenieros S.A.				
Banco de Crédito del Perú – Finance lease (d)	4.60%	2019	11,650	5,000
Others			<u>133</u>	<u>108</u>
Total financial obligations			<u>388,287</u>	<u>383,305</u>
Classification by maturity:				
Current portion			77,300	69,950
Non-current portion			<u>310,987</u>	<u>313,355</u>
Total financial obligations			<u>388,287</u>	<u>383,305</u>

(b) On December 2, 2010, Empresa de Generación Huanza S.A. entered into a finance lease contract with Banco de Crédito del Perú, with the following terms and conditions:

- Principal: US\$119,000,000.
- Annual interest rate: Three-month Libor plus 4.00 percent.
- Term: 6 years since August 2014, with final maturity in November 2020.
- Guarantee: Leased equipment.
- Amortization: Through 26 quarterly variable installments and a final installment of US\$44,191,000.

On June 30, 2014, Banco de Crédito del Perú extended the finance lease contract above mentioned, through the addition of a new tranche with the following terms and conditions:

- Principal: US\$108,780,000.
- Annual interest rate: Three-month Libor plus 4.20 percent.
- Term: 6 years since August 2014, with final maturity in November 2020.
- Guarantee: Leased equipment.

- Amortization: Through an initial installment of US\$23,780,000, 26 quarterly variable installments and a final installment of US\$68,905,000.
- (c) On September 25, 2013, General Shareholders Meeting of El Brocal approved to enter into a sale and finance leaseback contract through the sale of assets by the same value, consisting on equipment, machinery and production plants located in the Colquijirca mining unit, with the following terms and conditions:
- Principal: US\$180,000,000.
 - Annual interest rate: Three-month Libor plus 5.00 percent.
 - Term: 5 years since March 20, 2014, with final maturity in year 2019.
 - Amortization: Through 20 quarterly variable installments.

The financing is secured by a trust agreement on receivables, sales contracts and cash inflows on commercial contracts; and other related to the administration, use, disposal and claim of the assets specified in the contract.

In connection with the above financing, El Brocal complied with the following financial ratios as of March 31, 2015:

- (i) Debt service coverage ratio: Higher than 1.3 from January 1, 2014.
- (ii) Leverage ratio: Less than 1.0.
- (iii) Debt ratio:
 - a. Less than 2.5 from January 1, 2015 to December 31, 2015; and,
 - b. Less than 2.0 from January 1, 2016 and thereafter.

These financial ratios are calculated based on the financial statements of El Brocal as of each quarter ending March, June, September and December.

The compliance with the financial ratios described above is monitored by El Brocal's management. As of March 31, 2015, the bank approved the debt ratio computed by El Brocal for such quarter.

- (d) On March 28, 2014, Buenaventura Ingenieros S.A. entered into a finance lease contract with Banco de Crédito del Perú, for the construction of an administrative building, with the following terms and conditions:
- Principal: US\$14,944,000.
 - Annual interest rate: 4.60 percent.
 - Term: 5 years and 4 months since April 2014, with final maturity in July 2019.
 - Guarantee: Leased property.
 - Amortization: Through 64 monthly installments of US\$208,000 each.

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

Year	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
2016	37,374	47,712
2017	60,469	58,367
2018	62,215	60,113
2019	20,425	16,659
2020	130,504	130,504
	<u>310,987</u>	<u>313,355</u>

14. Dividends declared

- (a) The table below presents information about dividends declared during the three-month periods ended March 31, 2015 and 2014:

Meetings	Date	Dividends declared US\$(000)	Dividends per share US\$
Dividends declared - Year 2014			
Mandatory Annual Shareholders' Meeting	March 27, 2014	3,031	0.01
Less - Dividends on treasury shares		<u>(235)</u>	
		<u>2,796</u>	

Dividends declared as of March 31, 2015 are presented in the trade and other payables caption. Dividends declared as of March 31, 2014 were paid during the second quarter of 2014. During the first quarter of 2015 no additional dividends were declared.

- (b) Dividends declared by subsidiaries and corresponding to non-controlling interest, for the three-month period ended March 31, 2015 and 2014 are presented below:

	2015 US\$(000)	2014 US\$(000)
S.M.R.L. Chaupiloma Dos de Cajamarca	<u>3,268</u>	<u>1,960</u>

15. Net sales

- (a) The table below presents the detail of net sales for the three-month periods ended March 31, 2015 and 2014:

	2015 US\$(000)	2014 US\$(000)
Sales by product		
Gold	123,593	140,556
Silver	73,643	82,251
Zinc	27,893	6,228
Copper	18,366	63,546
Lead	15,974	8,872
	<u>259,469</u>	<u>301,453</u>
Commercial deductions	(36,526)	(36,663)
Embedded derivatives for concentrates sales	3,449	(5,937)
Hedge operations	2,118	321
Adjustments to current period liquidations	1,810	(3,190)
	<u>230,320</u>	<u>255,984</u>
Sales of services, electric power and other minors	<u>12,612</u>	<u>16,893</u>
	<u>242,932</u>	<u>272,877</u>

Volumes of metallic contents sold were the following:

	For the three-month periods ended March 31,		Increase (decrease)
	2015	2014	
Gold	101,232 OZ	107,238 OZ	(6,006) OZ
Silver	4,797,641 OZ	4,155,234 OZ	642,407 OZ
Zinc	13,535 MT	2,834 MT	10,701 MT
Copper	3,630 MT	9,001 MT	(5,371) MT
Lead	9,368 MT	4,081 MT	5,287 MT

Net average sales prices were the following:

	For the three-month periods ended March 31,		Increase (decrease)
	2015	2014	
	US\$	US\$	US\$
Gold	1,220.88 / OZ	1,310.69 / OZ	(89.81) / OZ
Silver	15.35 / OZ	19.79 / OZ	(4.44) / OZ
Zinc	2,060.77 / MT	2,197.58 / MT	(136.81) / MT
Copper	5,059.33 / MT	7,059.46 / MT	(2,000.13) / MT
Lead	1,705.13 / MT	2,173.84 / MT	(468.71) / MT

- (b) During the three-month period ended March 31, 2015, net sales of the Group decreased by US\$29,945,000 compared to the same period of 2014, primarily due to the effect of the decline of the international gold, silver, zinc, copper and lead quotations.

16. Cost of sales, excluding depreciation and amortization

The table below presents the detail of this caption for the three-month periods ended March 31, 2015 and 2014:

	For the three-month periods ended March 31,	
	2015 US\$(000)	2014 US\$(000)
Beginning balance of finished goods and products in process	116,949	122,787
Cost of production		
Services provided by third parties	57,136	55,718
Consumption of materials and supplies	28,361	23,685
Direct labor	27,511	26,347
Electricity and water	7,654	6,720
Rentals	1,499	3,834
Transport	4,260	3,136
Maintenance and repair	2,041	1,627
Insurances	1,261	1,660
Other production expenses	2,092	3,475
Total cost of production of the period	<u>131,815</u>	<u>126,202</u>
Ending balance of finished goods and products in process	<u>(112,287)</u>	<u>(109,551)</u>
Cost of sales, without considering depreciation and amortization	<u>136,477</u>	<u>139,438</u>

17. Exploration in operating units

The balance of this caption decreased by US\$1,260,000, from US\$23,730,000 during the three-month period ended March 31, 2014 to US\$22,470,000 during the same period of 2015, mainly explained by the lower exploration activities performed in the Orcopampa mining unit by US\$1,253,000.

18. Mining royalties

The balance of this caption increased by US\$1,172,000, from US\$7,353,000 during the three-month period ended March 31, 2014 to US\$8,525,000 during the same period of 2015, mainly explained by the increased mining royalties' payment to the Sindicato Minero de Orcopampa S.A. based on the valued production of mineral obtained from the concessions leased by such entity.

19. Administrative expenses

The balance of this caption decreased by US\$6,135,000, from US\$27,651,000 during the three-month period ended March 31, 2014 to US\$21,516,000 during the same period of 2015, mainly explained by the decreased provision for stock appreciation rights of US\$1,816,000, lower services provided by third parties of US\$3,089,000, and lower labor expenses of US\$1,491,000.

20. Income tax

- (a) Current and deferred portions of income tax expense for the three-month periods ended March 31, 2015 and 2014 are presented below:

	2015 US\$(000)	2014 US\$(000)
Income tax		
Current	4,947	6,237
Deferred	4,372	(254)
	<u>9,319</u>	<u>5,983</u>
Mining royalties and special mining tax		
Current	430	1,568
Deferred	678	(229)
	<u>1,108</u>	<u>1,339</u>
Total income tax	<u>10,427</u>	<u>7,322</u>

- (b) Currently, the Peruvian tax authority is reviewing the Company's income tax returns for the years 2009 and 2010.

21. Related parties transactions

- (a) The main transactions made by the Group with its associates during the three-month periods ended March 31, 2015 and 2014 are presented below:

	2015 US\$(000)	2014 US\$(000)
Royalties collected from Minera Yanacocha S.R.L. by:		
S.M.R.L. Chaupiloma Dos de Cajamarca	9,090	8,025
Sales of mineral to Minera Yanacocha S.R.L. by:		
Compañía de Minas Buenaventura S.A.A.	708	1,801
Sales of supplies to Compañía Minera Coimolache S.A. by:		
Compañía de Minas Buenaventura S.A.A.	24	14
Procesadora Industrial Río Seco S.A.	-	6
Minera La Zanja S.R.L.	-	2
Sale of electric energy to Compañía Minera Coimolache S.A. by:		
Empresa de Generación Huanza S.A.	406	-
Purchase of supplies from Compañía Minera Coimolache S.A. by:		
Compañía de Minas Buenaventura S.A.A.	9	1

	2015 US\$(000)	2014 US\$(000)
Acquisitions of property, plant and equipment from		
Compañía Minera Coimolache S.A. by:		
Procesadora Industrial Río Seco S.A.	-	468
Expense for services provided from Compañía Minera		
Coimolache S.A. by:		
Minera La Zanja S.R.L.	-	12
Income for services rendered to Minera Yanacocha S.R.L.		
by:		
Consorcio Energético de Huancavelica S.A. (electric power transmission)	269	354
Buenaventura Ingenieros S.A. (execution of specific work orders)	258	44
Income for services rendered to Sociedad Minera Cerro Verde S.A.A. by:		
Buenaventura Ingenieros S.A. (engineering services)	-	361
BISA Construcción S.A. (construction services)	-	41
Income for services rendered to Compañía Minera Coimolache S.A. by:		
Buenaventura Ingenieros S.A. (engineering services)	181	129
Consorcio Energético de Huancavelica S.A. (electric power transmission)	125	125
Compañía de Minas Buenaventura S.A.A. (administrative and management services)	248	256
Dividends received from:		
Compañía Minera Coimolache S.A.	2,057	2,377
Contributions and investments made to:		
Canteras del Hallazgo S.A.C.	-	1,003
Loans collected from:		
Compañía Minera Coimolache S.A.	-	9,032
Interest income on loans granted to:		
Compañía Minera Coimolache S.A.	-	73
Interest expense paid to:		
Compañía Minera Coimolache S.A.	6	10

- (b) As a result of the transactions indicated in paragraph (a), the Group has the following accounts receivable and payable to associates:

	As of March 31, 2015 US\$(000)	As of December 31, 2014 US\$(000)
Trade and other receivables, note 5(a) -		
Trade		
Minera Yanacocha S.R.L.	10,727	14,566
Compañía Minera Coimolache S.A.	-	515
	<u>10,727</u>	<u>15,081</u>
Other		
Minera Yanacocha S.R.L.	475	334
Compañía Minera Coimolache S.A. (c)	358	-
	<u>833</u>	<u>334</u>
	<u>11,560</u>	<u>15,415</u>
Trade and other payables, note 11(a)		
Trade		
Compañía Minera Coimolache S.A.	754	1,384
Minera Yanacocha S.R.L.	426	410
	<u>1,180</u>	<u>1,794</u>
Classification by maturity:		
Current portion	1,064	1,611
Non-current portion	116	183
	<u>1,180</u>	<u>1,794</u>

22. 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, except for those entities which are managed independently.

Until December 31, 2013, the Group had aggregated all its mining operating segments into one reportable segment based on similarities on long term financial performance, nature of products, production processes, type of customers and legal environment. The Group had also determined that the energy generation and transmission services segment, construction and engineering services and other complementary business activities were not significant in order to evaluate the entire business performance.

In 2014, taking into account the changing economic environment (increased fluctuations of minerals prices, changing technology and increasing costs), the Group decided to present its operating segments separately to provide more transparent information to the interested parties and to facilitate their understanding about the nature and financial effects of its business activities and its economic environment. Comparative information for year 2013 has also been provided.

Price transfer among operational segments are treated as third parties.

Corporate information mainly includes the following:

In segment information of profit and loss -

- Sales to third parties of gold purchased by the Parent company from La Zanja mining unit and the corresponding cost of sale as well as other intercompany sales.
- Administrative expenses, other income (expenses), exchange gain (loss), finance costs and income and income tax that cannot be directly allocated to the operational mining units owned by the Parent company (Uchucchacua, Orcopampa, Julcani, Mallay and Breapampa).
- Exploration activities in non-operating areas, carried out directly by the Parent company and not by the consolidated separate legal entities.
- Participation in subsidiaries and associate companies of the Parent company, which are accounted for using the equity method.
- Gain on business combination occurred in 2014, see note 5 to the annual audited consolidated financial statements as of December 31, 2014.

In the segment information of assets and liabilities -

- Investments in Sociedad Minera Cerro Verde S.A.A. and Compañía Minera Coimolache S.A., associate companies which are directly owned by the Parent company and are accounted for using the equity method; see note 10 to the annual consolidated financial statements as of December 31, 2014.

- Assets and liabilities of the operational mining units owned directly by the Parent company since this is the way the CODM analyzes the business. Assets and liabilities of other operating segments are allocated based on the assets and liabilities of the legal entities included in those segments.

All non-current assets are located in Peru.

Notes to the interim consolidated financial statements (continued)

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	Ucchucacua	Orcopampa	Julcani	Mallay	Breapampa	Colquijirca	La Zanja	Exploration and development	Construction and engineering	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial activities	Corporate	Sub Total	Adjustments and eliminations	Total	
	(Operational mining unit)	(Operational mining unit)	(Operational mining unit)	(Operational mining unit)	(Operational mining unit)	(Operational mining unit)	(Operational mining unit)	mining projects	and engineering	and transmission	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)	US\$(000)
As of March 31, 2015																			
Results:																			
Continuing operations:																			
Operating income																			
Net sales	40,483	76,900	10,311	8,545	10,277	42,248	35,236	-	21,617	9,258	1,761	-	-	3,861	41,556	302,053	(60,882)	242,932	
Royalty income	-	-	-	-	-	-	-	-	-	-	-	9,090	-	-	-	9,090	-	9,090	
Total operating income	40,483	76,900	10,311	8,545	10,277	42,248	35,236	-	21,617	9,258	1,761	9,090	-	3,861	41,556	311,143	(60,882)	252,022	
Operating costs																			
Cost of sales, excluding depreciation and amortization	(30,221)	(32,757)	(5,332)	(5,204)	(4,923)	(30,301)	(23,390)	-	(12,218)	(2,993)	-	-	-	(2,398)	(41,152)	(190,889)	54,412	(136,477)	
Depreciation and amortization	(3,373)	(5,055)	(2,415)	(3,718)	(6,460)	(12,605)	(21,806)	(139)	(165)	(2,581)	-	(18)	(57)	(2,184)	(260)	(60,836)	6,217	(54,619)	
Exploration in operating units	(6,476)	(11,874)	(2,439)	(1,597)	(70)	-	(13)	-	-	-	-	-	-	-	(1)	(22,470)	89	(22,470)	
Royalties	(381)	(7,553)	(67)	(75)	(100)	-	(349)	-	-	-	-	-	-	-	-	(8,525)	-	(8,525)	
Total operating costs	(40,451)	(57,239)	(10,253)	(10,594)	(11,553)	(42,906)	(45,558)	(139)	(12,383)	(5,574)	-	(18)	(57)	(4,582)	(41,413)	(282,720)	60,718	(222,091)	
Gross profit (loss)	32	19,661	58	(2,049)	(1,276)	(658)	(10,322)	(139)	9,234	3,684	1,761	9,072	(57)	(721)	143	28,423	(164)	29,931	
Operating income (expense), net																			
Administrative expenses	(2,705)	(5,097)	(826)	(592)	(847)	(4,073)	(375)	(425)	(1,324)	(732)	(2,408)	(22)	(69)	(98)	(3,298)	(22,891)	1,375	(21,516)	
Exploration in non-operating areas	-	-	-	-	-	-	-	(3,410)	-	-	-	-	-	-	(1,520)	(4,930)	(5,856)	(10,697)	
Selling expenses	(881)	(258)	(268)	(328)	(37)	(1,756)	(315)	-	-	(178)	-	-	-	(167)	(2)	(4,190)	-	(4,190)	
Other, net	140	41	19	25	(70)	(17)	89	37	551	229	-	(1)	164	15	1,238	2,460	(169)	530	
Total operating income (expense), net	(3,446)	(5,314)	(1,075)	(895)	(954)	(5,846)	(601)	(3,798)	(773)	(681)	(2,408)	(23)	95	(250)	(3,582)	(29,551)	(4,650)	(35,873)	
Operating profit (loss)	(3,414)	14,347	(1,017)	(2,944)	(2,230)	(6,504)	(10,923)	(3,937)	8,461	3,003	(647)	9,049	38	(971)	(3,439)	(1,128)	(4,814)	(5,942)	
Other income (expenses), net																			
Finance income	1	1	-	-	-	36	2	-	4	11	1	-	-	-	622	678	(34)	644	
Share in results of associates under equity method	-	-	-	-	-	-	-	-	-	552	-	-	28,795	-	22,507	51,854	(15,580)	36,274	
Finance costs	(49)	(24)	(23)	(12)	(4)	(2,076)	(406)	(17)	(416)	(2,171)	(38)	(1)	(1)	(205)	(810)	(6,253)	374	(5,879)	
Net gain (loss) from currency exchange difference	170	118	52	28	(1)	(765)	(461)	(457)	676	(536)	7	9	1	(648)	(511)	(2,318)	(1)	(2,318)	
Total other income (expenses), net	122	95	29	16	(5)	(2,805)	(865)	(474)	264	(2,144)	(30)	8	28,795	(853)	21,808	43,961	(15,241)	28,721	
Profit (loss) before income tax	(3,291)	14,442	(988)	(2,928)	(2,235)	(9,309)	(11,788)	(4,411)	8,725	859	(677)	9,057	28,833	(1,824)	18,369	42,833	(20,055)	22,779	
Current income tax	-	-	-	-	-	(430)	(63)	-	(2,197)	(70)	-	(2,600)	(17)	-	-	(5,377)	-	(5,377)	
Deferred income tax	-	-	-	-	-	(350)	1,156	-	-	(308)	-	-	-	(484)	(5,063)	(5,049)	-	(5,050)	
Profit (loss) from continued operations	(3,291)	14,442	(988)	(2,928)	(2,235)	(10,089)	(10,695)	(4,411)	6,528	481	(677)	6,457	28,816	(2,308)	13,306	32,407	(20,055)	12,352	
Discontinued operations																			
Loss from discontinued operations																			(2,104)
Net profit (loss)																			10,248

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

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	Uchuchacua (Operational mining unit) US\$(000)	Orcopampa (Operational mining unit) US\$(000)	Julcani (Operational mining unit) US\$(000)	Mallay (Operational mining unit) US\$(000)	Breapampa (Operational mining unit) US\$(000)	Colquijirca (Operational mining unit) US\$(000)	La Zanja (Operational mining unit) US\$(000)	Exploration and development 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 March 31, 2015																		
Other disclosure:																		
Total Assets	92,217	61,543	41,476	32,398	17,927	759,125	293,984	360,621	85,925	380,119	3,699	11,529	1,227,438	125,229	3,244,982	6,742,825	(2,002,580)	4,740,245
Total Liabilities	29,107	37,968	21,890	5,591	5,078	315,387	121,988	10,220	89,990	221,413	2,139	4,242	69	30,050	216,287	1,111,419	(139,969)	971,450
Additions to mining concessions, development costs, property, plant and equipment	4,024	486	5,496	286	5	6,815	33,280	14,356	10	222	30	-	-	414	2,510	67,934	-	67,934

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

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	Ucchuchacua (Operational mining unit) US\$(000)	Orcopampa (Operational mining unit) US\$(000)	Julcani (Operational mining unit) US\$(000)	Mallay (Operational mining unit) US\$(000)	Breapampa (Operational mining unit) US\$(000)	Colquijirca (Operational mining unit) US\$(000)	La Zanja (Operational mining unit) US\$(000)	Exploration and development 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 March 31, 2014																		
Results:																		
Continuing operations:																		
Operating income																		
Net sales	46,454	65,970	13,539	10,690	31,067	42,428	42,970	-	18,557	7,830	1,413	-	-	2,546	45,835	329,299	(57,835)	271,464
Royalty income	-	-	-	-	-	-	-	-	-	-	-	8,025	-	-	-	-	-	8,025
Total operating income	46,454	65,970	13,539	10,690	31,067	42,428	42,970	-	18,557	7,830	1,413	8,025	-	2,546	45,835	329,299	(57,835)	279,489
Operating costs																		
Cost of sales, excluding depreciation and amortization	(32,868)	(30,921)	(6,070)	(5,690)	(10,884)	(28,146)	(18,392)	-	(13,658)	(3,249)	-	-	-	(2,803)	(45,130)	(197,811)	58,373	(139,438)
Depreciation and amortization	(3,544)	(6,356)	(3,277)	(6,850)	(9,291)	(5,536)	(11,477)	(687)	(178)	(1,198)	-	(18)	(57)	(1,150)	(186)	(23,730)	4,407	(45,398)
Exploration in operating units	(6,220)	(13,129)	(2,725)	(1,479)	(130)	-	(20)	-	-	-	-	-	-	-	(27)	(49,805)	-	(23,730)
Royalties	(471)	(6,273)	(127)	(110)	(316)	-	(55)	-	-	-	-	-	-	-	(1)	(7,353)	-	(7,353)
Total operating costs	(43,103)	(56,679)	(12,199)	(14,129)	(20,621)	(33,682)	(29,944)	(687)	(13,836)	(4,447)	-	(18)	(57)	(3,953)	(45,344)	(278,699)	62,780	(215,919)
Gross profit	3,351	9,291	1,340	(3,439)	10,446	8,746	13,026	(687)	4,721	3,383	1,413	8,007	(57)	(1,407)	491	58,625	4,945	63,570
Operating income (expense), net																		
Administrative expenses	(3,790)	(4,786)	(919)	(769)	(2,144)	(3,629)	(369)	(990)	(4,344)	(1,063)	(1,929)	(23)	(71)	(139)	(3,996)	(28,961)	1,310	(27,651)
Exploration in non-operating areas	-	-	-	-	-	-	-	(1,652)	-	-	-	-	-	-	(4,086)	(5,738)	(4,636)	(10,374)
Selling expenses	(745)	(248)	(242)	(412)	(116)	(1,867)	(351)	-	-	-	-	-	-	-	(11)	(3,992)	-	(3,992)
Other, net	(33)	355	(4,673)	25	(16)	8	(578)	46	345	4,680	5	(1)	164	(33)	(7,735)	(7,441)	(128)	(7,569)
Total operating income (expense), net	(4,568)	(4,679)	(5,834)	(1,156)	(2,276)	(5,488)	(1,298)	(2,596)	(3,999)	3,617	(1,924)	(24)	93	(172)	(15,828)	(46,132)	(3,454)	(49,586)
Operating profit (loss)	(1,217)	4,612	(4,494)	(4,595)	8,170	3,258	11,728	(3,283)	722	7,000	(511)	7,983	36	(1,579)	(15,337)	12,493	1,491	13,984
Other income (expenses), net																		
Finance income	7	7	1	-	-	51	-	3	-	598	-	-	-	-	1,139	(10,616)	-	1,806
Share in results of associates under equity method	-	-	-	-	-	-	-	-	(45)	584	-	-	(22,252)	-	11,097	1,806	6,136	(4,480)
Finance costs	(177)	(114)	(103)	(43)	(28)	(159)	(575)	(55)	(218)	(1,448)	(2)	(1)	-	(151)	(115)	(3,189)	288	(2,901)
Net gain (loss) from currency exchange difference	31	21	8	4	5	(142)	(68)	(235)	33	(93)	65	(2)	(1)	(74)	(73)	(521)	(1)	(522)
Total other income (expenses), net	(139)	(86)	(94)	(39)	(23)	(250)	(643)	(287)	(230)	(359)	63	(3)	(22,253)	(225)	12,048	(12,520)	6,423	(6,097)
Profit (loss) before income tax	(1,356)	4,526	(4,588)	(4,634)	8,147	3,008	11,085	(3,570)	492	6,641	(448)	7,980	(22,217)	(1,804)	(3,289)	(27)	7,914	7,887
Current income tax	-	-	-	-	-	(817)	(3,312)	-	(156)	(959)	-	(2,394)	(4)	-	(164)	(7,806)	-	(7,806)
Deferred income tax	-	-	-	-	-	(1,280)	(1,200)	-	-	(2,326)	-	-	-	1,556	3,734	484	-	484
Profit (loss) from continued operations	(1,356)	4,526	(4,588)	(4,634)	8,147	911	6,573	(3,570)	336	3,356	(448)	5,586	(22,221)	(248)	281	(7,349)	7,914	565
Discontinued operations																		
Loss from discontinued operations																		(10,937)
Net profit (loss)																		(10,372)

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

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	Uchuchacua (Operational mining unit) US\$(000)	Orcopampa (Operational mining unit) US\$(000)	Julcani (Operational mining unit) US\$(000)	Mallay (Operational mining unit) US\$(000)	Breapampa (Operational mining unit) US\$(000)	Colquijirca (Operational mining unit) US\$(000)	La Zanja (Operational mining unit) US\$(000)	Exploration and development 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 March 31, 2014																		
Other disclosure:																		
Total Assets	104,929	79,960	41,481	52,416	55,279	720,073	271,144	106,410	55,472	440,562	4,395	10,106	1,377,705	130,586	3,239,867	6,690,385	(1,614,266)	5,076,119
Total Liabilities	34,838	37,324	19,959	6,287	7,370	272,567	83,425	50,630	49,007	276,084	3,136	3,851	2,366	25,945	96,273	969,062	(195,921)	773,141
Additions to mining concessions, development costs, property, plant and equipment	5,665	4,802	255	219	1,963	28,549	7,523	9,018	12,000	13,313	141	-	-	7,542	2,104	93,094	-	93,094