

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

Unaudited interim condensed consolidated financial statements as of June 30, 2021 and 2020 and for the three-month and six-month periods then ended



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Tanaka, Valdivia & Asociados
Sociedad Civil de Responsabilidad Limitada

Report of independent auditors

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 June 30, 2021, and the interim consolidated statements of profit or loss, of comprehensive income, of changes in equity, and of cash flows for the three-month and six-month periods ended June 30, 2021 and 2020, 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, Perú

August 2, 2020

Countersigned by:

Carlos Valdivia

C.P.C.C. Register N° 27255

TANAKA, VALDIVIA & ASOCIADOS

Compañía de Minas Buenaventura S.A.A. and Subsidiaries
Interim condensed consolidated statements of financial position
As of June 30, 2021 (unaudited) and December 31, 2020 (audited)

	Notes	2021 US\$(000)	2020 US\$(000)
Assets			
Current assets			
Cash and cash equivalents	3	255,232	235,449
Trade and other receivables, net	4(a)	245,584	230,830
Inventories, net	5(a)	83,439	77,327
Income tax credit		8,335	19,837
Prepaid expenses		19,679	25,709
		<u>612,269</u>	<u>589,152</u>
Non-current assets			
Trade and other receivables, net	4(a)	102,111	102,347
Inventories, net	5(a)	18,501	23,637
Investments in associates and joint venture	6(a)	1,559,060	1,488,775
Mining concessions, development costs, right-of-use, property, plant and equipment, net	7	1,588,712	1,650,361
Investment properties, net		176	186
Deferred income tax asset, net		64,708	73,850
Prepaid expenses		24,363	24,806
Other assets		25,872	26,503
		<u>3,383,503</u>	<u>3,390,465</u>
Total assets		<u>3,995,772</u>	<u>3,979,617</u>
Liabilities and shareholders' equity, net			
Current liabilities			
Bank loans	8	50,000	65,793
Trade and other payables		172,948	179,956
Provisions, contingent liabilities and other liabilities		74,702	68,000
Income tax payable		3,206	3,162
Financial obligations	9(a)	136,774	25,086
Hedge derivative financial instruments	16	20,868	18,439
		<u>458,498</u>	<u>360,436</u>
Non-current liabilities			
Provisions, contingent liabilities and other liabilities		240,007	252,338
Financial obligations	9(a)	383,315	506,567
Contingent consideration liability		22,597	22,100
Deferred income tax liabilities, net		39,425	38,319
		<u>685,344</u>	<u>819,324</u>
Total liabilities		<u>1,143,842</u>	<u>1,179,760</u>
Shareholders' equity, net			
Capital stock		750,497	750,497
Investment shares		791	791
Additional paid-in capital		218,450	218,450
Legal reserve		163,194	163,194
Other reserves		269	269
Retained earnings		1,558,094	1,503,785
Other reserves of equity		(10,397)	(9,526)
Shareholders' equity, net attributable to owners of the parent		<u>2,680,898</u>	<u>2,627,460</u>
Non-controlling interest		171,032	172,397
Total shareholders' equity, net		<u>2,851,930</u>	<u>2,799,857</u>
Total liabilities and shareholders' equity, net		<u>3,995,772</u>	<u>3,979,617</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries
Interim consolidated statements of profit or loss (unaudited)

For the three-month and six-month ended June 30, 2021 and 2020

	Notes	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
		2021 US\$(000)	2020 US\$(000) (Restated, see note 2.1)	2021 US\$(000)	2020 US\$(000) (Restated, see note 2.1)
Continuing operations					
Operating income					
Sales of goods	13	232,637	91,598	411,154	197,317
Royalty income	15(a)	4,907	3,559	8,866	9,285
Net sales of services		3,312	2,628	6,724	5,685
Total operating income		240,856	97,785	426,744	212,287
Operating costs					
Cost of sales of goods, excluding depreciation and amortization	14	(136,748)	(41,020)	(250,856)	(145,977)
Unabsorbed cost due to production stoppage	1(e)	-	(18,717)	-	(18,717)
Cost of sales of services, excluding depreciation and amortization		(230)	(152)	(393)	(1,003)
Depreciation and amortization	7	(48,332)	(36,997)	(94,820)	(73,638)
Exploration in operating units		(14,515)	(2,456)	(23,843)	(8,465)
Mining royalties		(2,725)	(1,216)	(4,437)	(3,575)
Total operating costs		(202,550)	(100,558)	(374,349)	(251,375)
Gross profit					
Gross profit (loss)		38,306	(2,773)	52,395	(39,088)
Operating expenses, net					
Administrative expenses		(16,108)	(14,914)	(33,080)	(33,035)
Selling expenses		(5,697)	(2,230)	(9,755)	(6,778)
Write-off stripping activity asset	7(c)	(6,763)	-	(6,763)	-
Exploration in non-operating areas		(1,960)	(1,708)	(3,698)	(3,465)
Reversal of contingents and others		735	1,087	429	850
Other, net		364	2,658	(1,596)	3,981
Total operating expenses		(29,429)	(15,107)	(54,463)	(38,447)
Operating profit (loss)		8,877	(17,880)	(2,068)	(77,535)
Share in the results of associates and joint ventures	6(b)	56,082	13,924	113,303	(6,652)
Financial income		2,156	548	3,754	1,312
Financial costs		(10,984)	(7,346)	(21,893)	(15,720)
Net gain (loss) from currency exchange difference		(7,506)	(2,019)	(8,947)	(3,115)
Profit (loss) before income tax		48,625	(12,773)	84,149	(101,710)
Current income tax	17	(8,096)	(1,122)	(14,823)	(3,107)
Deferred income tax	17	(1,614)	(3,884)	(10,960)	8,148
		(9,710)	(5,006)	(25,783)	5,041
Profit (loss) from continuing operations		38,915	(17,779)	58,366	(96,669)
Discontinued operations					
Loss from discontinued operations attributable to equity holders of the parent		(946)	(1,335)	(2,280)	(2,812)
Net profit (loss)		37,969	(19,114)	56,086	(99,481)
Attributable to:					
Owners of the parent		37,542	(15,567)	53,912	(83,830)
Non-controlling interest		427	(3,547)	2,174	(15,651)
		37,969	(19,114)	56,086	(99,481)
Basic and diluted profit (loss) per share attributable to equity holders of the parent, stated in U.S. dollars					
		0.15	(0.06)	0.21	(0.33)
Profit (loss) for continuing operations, basic and diluted per share attributable to equity holders of the parent, expressed in U.S. dollars					
		0.15	(0.06)	0.22	(0.32)

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

For the three-month and six-month periods ended June 30, 2021 and 2020

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000) (Restated, see note 2.1)	2021 US\$(000)	2020 US\$(000) (Restated, see note 2.1)
Net profit (loss)	<u>37,969</u>	<u>(19,114)</u>	<u>56,086</u>	<u>(99,481)</u>
Other comprehensive income of the period:				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods				
Net change in unrealized gain (loss) on hedge derivate financial instruments of copper prices hedge, note 16	7,216	19	(3,508)	19
Income tax effect	(2,129)	(6)	1,035	(6)
Net change in unrealized gain (loss) on hedge derivate financial instruments of interest rate hedge, note 16	375	-	1,079	-
Income tax effect	(110)	-	(318)	-
Unrealized gain (loss) on investments	<u>(66)</u>	<u>819</u>	<u>(218)</u>	<u>(437)</u>
	<u>5,286</u>	<u>832</u>	<u>(1,930)</u>	<u>(424)</u>
Total other comprehensive profit, net of income tax	<u>43,255</u>	<u>(18,282)</u>	<u>54,156</u>	<u>(99,905)</u>
Attributable to:				
Equity holders of the parent	40,797	(14,756)	53,041	(84,275)
Non-controlling interests	<u>2,458</u>	<u>(3,526)</u>	<u>1,115</u>	<u>(15,630)</u>
	<u>43,255</u>	<u>(18,282)</u>	<u>54,156</u>	<u>(99,905)</u>

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

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

For the six-month ended June 30, 2021 and 2020

	Attributable to equity holders of the parent										
	Capital stock, net of treasury shares			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)	Non-controlling interest US\$(000)	Total US\$(000)
	Number of shares outstanding	Common Shares US\$(000)	Investment shares US\$(000)								
As of January 1, 2020 (audited)	253,715,190	750,497	791	218,450	163,168	269	1,639,658	(1,311)	2,771,522	196,678	2,968,200
Net loss of the period	-	-	-	-	-	-	(83,830)	-	(83,830)	(15,651)	(99,481)
Other comprehensive income	-	-	-	-	-	-	-	(445)	(445)	21	(424)
Total other comprehensive income (loss)	-	-	-	-	-	-	(83,830)	(445)	(84,275)	(15,630)	(99,905)
Dividends declared and paid, note 11	-	-	-	-	-	-	-	-	-	(1,280)	(1,280)
Transfer and other equity changes	-	-	-	-	-	-	1,341	-	1,341	-	1,341
As of June 30, 2020 (Restated, see note 2.1) (unaudited)	<u>253,715,190</u>	<u>750,497</u>	<u>791</u>	<u>218,450</u>	<u>163,168</u>	<u>269</u>	<u>1,557,169</u>	<u>(1,756)</u>	<u>2,688,588</u>	<u>179,768</u>	<u>2,868,356</u>
As of January 1, 2021 (audited)	253,715,190	750,497	791	218,450	163,194	269	1,503,785	(9,526)	2,627,460	172,397	2,799,857
Net income of the period	-	-	-	-	-	-	53,912	-	53,912	2,174	56,086
Other comprehensive income	-	-	-	-	-	-	-	(871)	(871)	(1,059)	(1,930)
Total other comprehensive income (loss)	-	-	-	-	-	-	53,912	(871)	53,041	1,115	54,156
Dividends declared and paid, note 11	-	-	-	-	-	-	-	-	-	(2,480)	(2,480)
Transfer and other equity changes	-	-	-	-	-	-	397	-	397	-	397
As of June 30, 2021 (unaudited)	<u>253,715,190</u>	<u>750,497</u>	<u>791</u>	<u>218,450</u>	<u>163,194</u>	<u>269</u>	<u>1,558,094</u>	<u>(10,397)</u>	<u>2,680,898</u>	<u>171,032</u>	<u>2,851,930</u>

Compañía de Minas Buenaventura S.A.A. and Subsidiaries
Interim condensed consolidated statements of cash flows (unaudited)

For the three-month and six-month ended June 30, 2021 and 2020

Notes	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
	US\$(000)	US\$(000) (Restated, see note 2.1)	US\$(000)	US\$(000) (Restated, see note 2.1)
Operating activities				
	236,873	102,891	446,394	310,846
Proceeds from sales				
Dividends received from related parties	15(a) 39,169	2,631	42,720	2,631
Recovery from value added tax and other taxes	15,266	10,485	21,700	14,827
Royalty received	15(a) 4,173	6,769	8,883	12,495
Dividends received from investments	1,599	-	3,049	2,501
Interest received	29	323	64	1,483
Payments to suppliers and third-parties, and others net	(151,474)	(86,038)	(302,885)	(228,529)
Payments to employees	(29,941)	(31,142)	(63,097)	(65,554)
Income tax and royalties paid to the Peruvian State	(7,996)	(7,907)	(12,880)	(13,978)
Payments for tax litigation	4(c) (948)	-	(8,410)	-
Interest paid	(3,524)	(6,333)	(7,338)	(12,626)
Payment of royalties	(1,528)	(497)	(2,304)	(1,633)
Net cash and cash equivalents provided by (used in) operating activities	101,698	(8,818)	125,896	22,463
Investing activities				
Proceeds from sales of property, plant and equipment	4(e) 102	147	257	21,184
Proceeds from sale of investments	-	-	3,640	-
Acquisitions of development costs, property, plant and equipment	7 (21,356)	(11,435)	(34,316)	(21,481)
Payments for acquisitions of other assets	(109)	(115)	(205)	(806)
Acquisition of investment in associate	6(c) -	-	-	(13,453)
Net cash and cash equivalents used in investing activities	(21,363)	(11,403)	(30,624)	(14,556)
Financing activities				
Increase of restricted time deposits	4(g) -	-	(29,117)	-
Payments of financial obligations	9(d) (5,397)	(4,342)	(10,793)	(14,030)
Proceeds from bank loans	8 -	2,208	-	7,208
Payments of bank loans	8 (5,396)	-	(15,793)	(5,000)
Payments of obligations for leases	9(d) (1,019)	(1,043)	(2,036)	(2,402)
Short-term and low value lease payments	(8,527)	(2,970)	(15,325)	(7,395)
Dividends paid to non-controlling interest	11 (1,080)	-	(2,480)	(1,280)
Decrease of restricted bank accounts	4(a) 60	293	55	459
Net cash and cash equivalents used in financing activities	(21,359)	(5,854)	(75,489)	(22,440)
Increase (decrease) in cash and cash equivalents during the period, net	58,976	(26,075)	19,783	(14,533)
Cash and cash equivalents at beginning of period	3 196,256	221,588	235,449	210,046
Cash and cash equivalents at period-end	3 255,232	195,513	255,232	195,513
Financing and investing activities not affecting cash flows:				
Changes in estimates of mine closures plans	-	(2,899)	35	(2,899)
Accounts receivable from sale of assets	4(a) (48)	(7,721)	7,479	512

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

Notes to the interim condensed consolidated financial statements (unaudited)

As of June 30, 2021 and 2020

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 stocks are 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. The Company is the ultimate controlling party.

(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.

As of June 30, 2021, the Group operates directly four operating mining units (Uchucchacua, Orcopampa, Julcani and Tambomayo), two discontinued mining units (Poracota and Shila-Paula) and one mining unit under development stage (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 and other activities. All these activities are carried out in Peru. In addition, the Group has non-significant subsidiaries in Mexico and Chile related to exploration activities.

(c) Approval of consolidated financial statements -

The interim condensed consolidated financial statements as of June 30, 2021 were approved and authorized for issue by the Board of Directors on August 2, 2021 and subsequent events have been considered through that date.

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

- (d) The interim condensed consolidated financial statements include the financial statements of the following companies:

	Country of incorporation and business	Ownership as of			
		June 30, 2021		December 31, 2020	
		Direct %	Indirect %	Direct %	Indirect %
Mining activities:					
Compañía de Minas Buenaventura S.A.A. (*)	Peru	100.00	-	100.00	-
Compañía Minera Condesa S.A.	Peru	100.00	-	100.00	-
Compañía Minera Colquirrumi S.A.	Peru	100.00	-	100.00	-
Sociedad Minera El Brocal S.A.A (**)	Peru	3.19	58.24	3.19	58.24
Inversiones Colquijirca S.A. (**)	Peru	89.76	10.24	89.76	10.24
S.M.R.L. Chaupiloma Dos de Cajamarca	Peru	20.00	40.00	20.00	40.00
Minera La Zanja S.R.L.	Peru	53.06	-	53.06	-
Minera Julcani S.A. de C.V.	Mexico	99.80	0.20	99.80	0.20
Compañía de Minas Buenaventura Chile Ltda. (***)	Chile	-	-	90.00	10.00
El Molle Verde S.A.C.	Peru	99.98	0.02	99.98	0.02
Apu Coropuna S.R.L.	Peru	70.00	-	70.00	-
Cerro Hablador S.A.C.	Peru	99.00	1.00	99.00	1.00
Minera Azola S.A.C.	Peru	99.00	1.00	99.00	1.00
Compañía Minera Nueva Italia S.A.	Peru	-	93.36	-	93.36
Energy generation and transmission services:					
Consorcio Energético de Huancavelica S.A.	Peru	100.00	-	100.00	-
Empresa de Generación Huanza S.A.	Peru	-	100.00	-	100.00
Insurance brokerage:					
Contacto Corredores de Seguros S.A.	Peru	99.98	0.02	99.98	0.02
Contacto Risk Consulting S.A.	Peru	-	98.00	-	98.00
Industrial activities:					
Procesadora Industrial Río Seco S.A.	Peru	100.00	-	100.00	-

(*) Includes four operating mining units in Peru (Uchucchacua, Orcopampa, Julcani and Tambomayo), two discontinued mining units (Poracota and Shila-Paula), and one mining unit under development stage (San Gabriel)

(**) As of June 30, 2021 and December 31, 2020, the participation of the Company in the voting rights of El Brocal is 61.43 percent. Inversiones Colquijirca S.A. (hereafter "Colquijirca"), a Group's subsidiary (99.99 percent as of June 30, 2021 and December 31, 2020), has an interest in El Brocal's capital stock, through which the Company holds an indirect participation in El Brocal of 58.24 percent as of June 30, 2021 and December 31, 2020.

(***) On January 21, 2021, the Company sold 100% of its shares of Compañía de Minas Buenaventura Chile Ltda., which were presented as financial investments as of December 31, 2020. The sale value was US\$30,000 which are fully collected as of the date of this report.

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

(e) COVID-19 (Corona Virus Disease 2019) in Peru -

The Group's operations are subject to risks related to outbreaks of infectious diseases. For example, the recent outbreak of coronavirus COVID-19. Since March 15, 2020, and by means of Supreme Decree No. 044-2020, the Peruvian State declared a State of National Emergency and mandatory social isolation for an initial period of fifteen calendar days, with subsequent extensions. During the first phases of this period, constitutional rights related to personal freedom and security, inviolability of the home and freedom of assembly were restricted, except for the provision and access to certain services and essential goods, such as those related to financial institutions, insurance and pensions, as well as complementary and related services. Operations at national level have been resumed according to a phase plan issued by the Peruvian State.

In March, April, May and June 2020, direct operations of the Group were limited to the criticality that ensured the functionality of the mine pumping systems, water treatment plants, energy supply, hydroelectric substations, health services and overall minimum safety conditions, administrative supervision, security conditions, including filling and general support, among others. The production stoppage dates were as follows:

Phase 1 (Stoppage from March 16 to May 16, 2020)

- Tambomayo
- Uchucchacua
- El Brocal (Tajo Norte and Marcapunta)

Phase 2 (Stoppage from March 16 to June 16, 2020)

- Orcopampa
- Julcani
- La Zanja

For the three-month and six-month periods ended June 30, 2020, the Group's unabsorbed cost due to production stoppage amounted to a total amount of US\$27.8 million (net of intercompany eliminations), and is made up as follows:

	2021 US\$(000)	2020 US\$(000)
Services provided by third parties	-	8,048
Direct labor	-	8,349
Supplies	-	2,320
	<hr/>	<hr/>
	-	18,717

Depreciation and amortization incurred during the production stoppage amounts to US\$8.5 million for the three-month and six-month periods ended June 30, 2020, which is included in "Depreciation and amortization" caption in the consolidated statements of profit or loss.

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

In January 2021, in response to the significant increase in the number of infections, the number of deaths and the saturation of the health system, the Peruvian Government decreed compulsory social immobilization in ten regions of the country, with the exception of some sectors such as agriculture, energy, hydrocarbons, mining, construction, etc., thus it did not affect the Company's operations. This second immobilization had an initial period of fifteen days from January 31, being extended by 14 days until February 28, 2021. Since March 1, 2021 and for the next days, new measures are applied to face the COVID-19 pandemic.

The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore the Group cannot predict the possible impact on the world, the Peruvian economy, the international financial markets, or ultimately on the Group financial condition. However, as part of the business continuity and progress of operations, the Group has been executing its business plan, which expects substantially that currently registered sales levels will increase in the short and medium term, considering: normal regularization of operations, commercial landscape and increase in metal prices.

2. Basis for preparation, consolidation and changes in accounting policies

2.1. Basis of preparation and presentation -

The unaudited interim condensed consolidated financial statements have been prepared and presented in accordance with IAS 34 - "Interim Financial Reporting" and using the same accounting policies applied in preparing the annual financial statements, except for the income tax expense that is recognized, according to IAS 34, for each interim period based on the best estimate of the weighted average annual income effective tax rate expected for the full financial year.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, from the accounting records of the Group, except for financial the derivative financial instruments and financial assets and liabilities that have been measured at fair value through profit or loss and discontinued operations that have been valued at the lower of (i) their carrying amount and (ii) its fair value less cost to sell.

The unaudited interim condensed 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 condensed 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, 2020, and for the three years then ended.

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

As indicated in note 2.3 (r) of the accounting policies of the 2020 annual consolidated financial statements, current and deferred income tax are measured based on the tax rates and regulations that were approved at reporting period. For purposes of interim financial statements, income tax must be determined based on the best estimate of the weighted average tax rate expected for the annual accounting period. Consequently, for purposes of adapting the aforementioned accounting practice, the income tax and the share in the results of associates and joint ventures for the first semester of 2020 has been modified for comparison with first semester of 2021, see below:

	For the three-month periods ended June 30,			For the six-month periods ended June 30,		
	2020 US\$(000)	Adjustments	2020 US\$(000) (Restated)	2020 US\$(000)	Adjustments	2020 US\$(000) (Restated)
Share in the results of associates and joint ventures, note 6	5,124	8,800	13,924	(15,452)	8,800	(6,652)
Loss before income tax	(21,573)	8,800	(12,773)	(110,510)	8,800	(101,710)
Deferred income tax, note 17	(10,760)	6,876	(3,884)	1,272	6,876	8,148
Net loss	(34,790)	15,676	(19,114)	(115,157)	15,676	(99,481)

2.2. New standards and interpretations adopted by the Group -

The accounting policies used by the Group for the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements as of December 31, 2020 and for the year then ended.

Certain standards and amendments apply from January 1, 2021; however, they do not impact the unaudited interim condensed consolidated financial statements of the Group as of June 30, 2021 and, therefore, they have not been disclosed. The Group has not early adopted any standard, interpretation or modification issued and not yet effective.

3. Cash and cash equivalents

This caption is made up as follow:

	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Cash	133	173
Bank accounts (i)	210,378	185,276
Time deposits (ii)	44,721	50,000
	<u>255,232</u>	<u>235,449</u>

(i) Banks accounts are freely available and earn interest at floating rates based on market rates.

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

- (ii) As of June 30, 2021 and December 31, 2020, time deposits were kept in prime financial institutions, which generated interest at annual market rates and have original current maturities, according to the immediate cash needs of the Group.

4. Trade and other receivables, net

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

	As of June 30, 2021 US\$(000)	As of December 31 2020 US\$(000)
Trade receivables, net		
Domestic clients	152,287	129,283
Foreign clients	28,052	46,612
Related entities, note 15(b)	6,116	6,073
	<u>186,455</u>	<u>181,968</u>
Allowance for expected credit losses (b)	<u>(22,529)</u>	<u>(22,128)</u>
	<u>163,926</u>	<u>159,840</u>
Other receivables		
Tax claims (c)	66,698	62,373
Restricted time deposits (g)	29,117	-
Other receivables to third parties	28,178	28,277
Value added tax credit	27,298	44,389
Advances to suppliers	16,490	20,569
Tax deposits (f)	10,813	12,413
Due from for sales of assets (e)	7,479	8,233
Interest receivables	2,606	2,648
Related entities, note 15(b)	1,998	2,312
Refund applications of value added tax (d)	975	581
Loans to personal	588	408
Loans to third parties	362	218
Restricted bank accounts	321	376
Other minor	379	257
	<u>193,302</u>	<u>183,054</u>
Allowance for expected credit losses (b)	<u>(9,533)</u>	<u>(9,717)</u>
	<u>183,769</u>	<u>173,337</u>
Total trade and other receivables, net	<u>347,695</u>	<u>333,177</u>
Classification by maturity:		
Current portion	245,584	230,830
Non-current portion	102,111	102,347
Total trade and other receivables, net	<u>347,695</u>	<u>333,177</u>
Classification by nature:		
Financial receivables	318,505	288,207
Non-financial receivables	29,190	44,970
Total trade and other receivables, net	<u>347,695</u>	<u>333,177</u>
Classification by measurement:		
Trade receivables (not subject to provisional prices)	38,693	33,287
Trade receivables (subject to provisional prices)	125,233	126,553
Other accounts receivables	183,769	173,337
Total trade and other receivables, net	<u>347,695</u>	<u>333,177</u>

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

- (b) In the opinion of the Group's Management, the balance of the allowance for expected credit losses is sufficient to cover adequately the risks of failure to date of the interim condensed consolidated statement of financial position.
- (c) Corresponds to forced payments of tax debts that are in litigation and that, in the opinion of Management and its legal advisors, a favorable result should be obtained in the judicial and administrative processes that have been initiated, see note 29(d) of the audited annual consolidated financial statements:

Detail	Disbursement date	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Buenaventura -			
SUNAT seizure for payment on account from January to December 2009; January and February 2010.	December 2019	31,245	33,240
Forced payment of part of the tax liability debt for fiscal year 2007.	November and December 2020	18,723	19,918
SUNAT seizure for payment on account on Income Tax 2007-2008	January 2021	4,981	-
Inminsur's tax liability debt (absorbed by Buenaventura), by the inspection process for the years 1996-1997 and claimed in court.	May 2017	1,321	1,403
Payment of the tax liability debt imputed by SUNAT in the IGV inspection process January-December 2014 to benefit from the gradual nature of the fine.	November 2020	1,233	1,311
Forced payment of part of the tax debt for fiscal year 2010.	December 2020	471	498
		57,974	56,370
El Brocal -			
Payment under protest of the tax liability for fiscal year 2011.	June 2014	2,165	2,303
Forced payment of part of the tax debt for fiscal year 2014.	January 2021	2,045	-
Payment of the fine for the benefit of reducing the fine for fiscal year 2015.	January 2020	378	402
Other minor	-	17	19
		4,605	2,724
Rio Seco -			
Forced payment of part of the VAT tax liability for 2012.	July to September 2019	3,202	3,279
La Zanja -			
Forced payment of part of the tax debt for fiscal year 2013 - 2015.	April 2021	917	-
		66,698	62,373

- (d) Corresponds mainly to current year refunds applications that are pending as of the financial statement date.

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

- (e) On September 5, 2019, Consorcio Energético de Huancavelica S.A., entered into a contract for the sale of energy transmission systems in the areas of Huancavelica, Trujillo, Cajamarca, Callalli – Ares and Lorema with Conelsur LT S.A.C., for US\$21,023,000, which were collected during the first quarter of 2020.

As of June 30, 2021 and December 31, 2020, the balance receivable from the sale of assets corresponds mainly to the balance pending collection from the sale of the Mallay mining unit.

- (f) Corresponds to deposits held in the Peruvian State bank, which only can be used to offset that the Group have the Tax Authorities.
- (g) Corresponds to a restricted time deposit held by Minera La Zanja S.R.L. in favor of Ministry of Energy and Mines signed on January 15, 2021 until January 12, 2022 to secure current mine closure plans of its mining units and exploration projects.

5. Inventories, net

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

	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Finished goods	2,188	2,525
Products in process	45,214	52,619
Spare parts and supplies	81,657	76,937
	<u>129,059</u>	<u>132,081</u>
Provision for impairment of value of inventory (c)	<u>(27,119)</u>	<u>(31,117)</u>
	<u>101,940</u>	<u>100,964</u>
Classification by use:		
Current portion	83,439	77,327
Non-current portion	18,501	23,637
	<u>101,940</u>	<u>100,964</u>

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

	2021 US\$(000)	2020 US\$(000)
Beginning balance	31,117	25,402
<i>Continuing operations, note 14:</i>		
Provision for impairment of finished and in progress goods	6,239	19,162
Reversal for impairment of finished and in progress goods	<u>(10,237)</u>	<u>(4,705)</u>
	<u>(3,998)</u>	<u>14,457</u>
Final balance	<u>27,119</u>	<u>39,859</u>

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

6. Investments in associates and joint venture

(a) This caption is made up as follows:

	Share in equity		As of	As of
	2021	2020	June 30,	December
	%	%	2021	2020
			US\$(000)	US\$(000)
Associates				
Sociedad Minera Cerro Verde S.A.A.	19.58	19.58	1,271,111	1,209,125
Minera Yanacocha S.R.L.	43.65	43.65	162,680	157,836
Compañía Minera Coimolache S.A.	40.10	40.10	109,141	104,833
Tinka Resources Ltd.	19.30	19.30	12,619	12,862
			<u>1,555,551</u>	<u>1,484,656</u>
Joint ventures			2,166	2,254
Other minor investments			1,343	1,865
			<u>1,559,060</u>	<u>1,488,775</u>

(b) The table below presents the net share in profit (loss) of associates and joint venture for the six-month periods ended June 30, 2021 and 2020:

	For the three-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2021	2020	2021	2020
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Associates				
Sociedad Minera Cerro Verde S.A.A.	47,069	13,451	101,155	1,600
Compañía Minera Coimolache S.A.	3,388	(605)	7,859	254
Minera Yanacocha S.R.L.	6,043	1,172	5,040	(8,338)
Tinka Resources Ltd.	(170)	(117)	(663)	(117)
	<u>56,330</u>	<u>13,901</u>	<u>113,391</u>	<u>(6,601)</u>
Joint ventures	<u>(248)</u>	<u>23</u>	<u>(88)</u>	<u>(51)</u>
	<u>56,082</u>	<u>13,924</u>	<u>113,303</u>	<u>(6,652)</u>

(c) Changes in this caption are as follows:

	2021	2020
	US\$(000)	US\$(000)
As of January 1,	1,488,775	1,488,247
Net share in profit (loss) of associates and joint venture (b)	113,303	(6,652)
Translation adjustments and other minor	500	1,491
Dividends declared and collected by associates, note 15(a)	(42,720)	(2,631)
Equity reduction	(580)	-
Unrealized results on investments	(218)	(437)
Acquisition of Tinka Resources Ltd.	-	13,453
As of June 30,	<u>1,559,060</u>	<u>1,493,471</u>

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

- (d) Yanacocha Potential Water Treatment and Closure Costs
As of the date of this report, Minera Yanacocha S.R.L., operates five water treatment plants and is currently conducting detailed studies to estimate the best management of water treatment and other closure activities. Although these studies are ongoing, they could result in potential increases in the construction costs of the water treatment plant and in the costs associated with closure activities.

7. Mining concessions, development costs, right-of-use, property, plant and equipment, net

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

	Cost	Accumulated depreciation / amortization	Provision for impairment of long-lived assets	Net cost
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
As of January 1, 2021	3,771,978	(2,095,342)	(26,275)	1,650,361
Additions	34,492	(89,064)	-	(54,572)
Write – off stripping activity asset	(6,763)	-	-	(6,763)
Disposals / Sales	(1,001)	687	-	(314)
As of June 30, 2021	<u>3,798,706</u>	<u>(2,183,719)</u>	<u>(26,275)</u>	<u>1,588,712</u>
As of January 1, 2020	3,781,326	(1,998,596)	(28,358)	1,754,372
Additions	25,211	(90,154)	-	(64,943)
Reclassifications	(384)	134	-	(250)
Disposals / Sales	(280)	167	-	(113)
As of June 30, 2020	<u>3,805,873</u>	<u>(2,088,449)</u>	<u>(28,358)</u>	<u>1,689,066</u>

For the three-period and six-period ended June 30, 2021, depreciation expense is recorded in cost of sales for an amount of US\$48,332,000 and US\$94,820,000, respectively (US\$36,997,000 and US\$73,638,000 for the three-period and six-period ended June 30, 2020, respectively); and administrative expenses for an amount of US\$908,000 and US\$1,817,000 (US\$2,105,000 and US\$3,022,000 for the three-period and six-period ended June 30, 2020, respectively).

- (b) The net right of use assets maintained by the Group correspond to the following:

	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Buildings	2,851	3,370
Transportation units	2,155	3,330
Machinery and equipment	493	478
	<u>5,499</u>	<u>7,178</u>

- (c) In June 2021, as a result of a review of the mineral reserve balances, the subsidiary El Brocal wrote off phase 6 for a total of 1,181,280 MT at a value of US\$6,763,000. The write-off corresponds to a new estimate of reserves for the surface operation after updating the topographic information. The current balance of this phase is 36,801 MT valued at US\$211,000, which is expected to be produced during 2021.

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

8. Bank loans

This caption is made up as follows

	2021 US\$(000)	2020 US\$(000)
Balance as of January 1,	65,793	55,000
New loans	-	5,000
Disbursements	(15,793)	(5,000)
Balance as of June 30,	<u>50,000</u>	<u>55,000</u>

As of June 30, 2021, bank loans were obtained for working capital purposes, have current maturity and accrue interest at market annual rates ranging from 1.65% (annual rates ranging from 1.65% to 3.7% as of December 31, 2020). On July 7, 2021, the terms of the loan were negotiated, and the term was renewed for 360 days.

9. Financial obligations

(a) This caption is made up as follow:

	As of June 30, 2021 US\$(000)	As of December 31, 2019 2020 US\$(000)
Compañía de Minas Buenaventura S.A.A.(b)		
BBVA Banco Continental	61,667	61,667
Banco de Crédito del Perú	66,667	66,667
CorpBanca New York Branch	61,666	61,666
Banco Internacional del Perú	30,000	30,000
ICBC Perú Bank	40,000	40,000
Banco de Sabadell, Miami Branch	15,000	15,000
	<u>275,000</u>	<u>275,000</u>
Debt issuance costs	(2,322)	(2,715)
	<u>272,678</u>	<u>272,285</u>
Sociedad Minera El Brocal S.A.A. (c)		
Banco de Crédito del Perú – Financiamiento	129,515	140,309
Debt issuance costs	(544)	(600)
	<u>128,971</u>	<u>139,709</u>
Empresa de Generación Huanza S.A.		
Banco de Crédito del Perú – Finance lease	113,096	113,096
Debt issuance costs	(723)	(1,276)
	<u>112,373</u>	<u>111,820</u>
Lease liabilities	<u>6,067</u>	<u>7,839</u>
Total financial obligations	<u>520,089</u>	<u>531,653</u>
Classification by maturity:		
Current portion	136,774	25,086
Non-current portion	383,315	506,567
Total financial obligations	<u>520,089</u>	<u>531,653</u>

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

- (b) On December 29, 2020, Buenaventura signed a "Forbearance Agreement" with the creditors bank of the Syndicated Term Loan, through which the financial leverage ratio and interest coverage, as well as the obligations of not incurring in additional debt and restriction of the granting of liens were temporarily modified until April 28, 2021, in accordance with addenda of the aforementioned agreement signed by the parties.

On April 28, 2021, Buenaventura entered into an amendment and waiver to the Syndicated Term Loan which superseded the Forbearance Agreement, pursuant to which the lenders under the Syndicated Term Loan agreed to amend certain terms of the Syndicated Term Loan and to cure any and all past defaults triggered by the collection proceedings, the incurrence of debt and the granting of collateral relating to the Syndicated Letters of Credit.

On May 26, 2021, the Group entered into an amendment to the Syndicated Term Loan in order to amend certain terms of the Syndicated Term Loan, including, issue of some Notes in a 144-A transaction - Regulations under the U.S. Securities Act of 1933 (see note 20).

The compliance with the clauses described in the annual consolidated financial statements is monitored by the Buenaventura's management based on the information as of June 30, 2021. The Company complies with the consolidated financial ratios agreed with the banks.

- (c) The compliance with the financial ratios is monitored by El Brocal' s management. As part of the commitments acquired in relation to the aforementioned debt, El Brocal must comply with the following financial indicators:
- (i) Debt Service Coverage Ratio: Higher than 1.3.
 - (ii) Leverage Ratio: Less than 1.0 times.
 - (iii) Debt Ratio: Less than 2.25 times.

As of June 30, 2021, the ratios required by the bank are met.

- (d) Below is presented the movement of the debt excluding interest for the six-month periods ended June 30, 2021 and 2020:

	2021 US\$(000)	2020 US\$(000)
As of January 1,	531,653	571,688
Financial obligations -		
Payments	(10,793)	(14,030)
Amortization of debt issuance costs in results	562	528
Cost amortized effect	439	-
Increase of debt issuance costs	-	(1,689)
Lease obligations -		
Additions	176	831
Accrual	88	113
Payments	(2,036)	(2,402)
Disposals	-	(642)
As of June 30,	<u>520,089</u>	<u>554,397</u>

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

10. Commitments and contingencies

Included in note 29 of annual consolidated financial statements is a disclosure of the material contingencies outstanding as of December 31, 2020. As of June 30, 2021, there was not significant changes in contingent liabilities or contingent assets since the last annual reporting date (see note 20).

11. Shareholders equity, net

(a) Capital stock -

The Group's share capital is stated in soles and consisted of common shares with voting rights, with a nominal amount of S/10.00 per share. The table below presents the composition of the capital stock as of June 30, 2021 and December 31, 2020:

	Number of shares	Capital stock S/(000)	Capital stock US\$(000)
Common shares	274,889,924	2,748,899	813,162
Treasury shares	(21,174,734)	(211,747)	(62,665)
	<u>253,715,190</u>	<u>2,537,152</u>	<u>750,497</u>

The market value of the common shares amounted to S/35.10 per share as of June 30, 2021 (S/43.80 per share as of December 31, 2020). These shares present trading frequencies of 15% and 10% percent as of June 30, 2021 and 2020, respectively.

(b) Investment shares -

Investment shares have a nominal value of S/10.00 per share. Holders of investment shares are neither entitled neither to exercise voting rights nor to participate in shareholders' meetings; however, they confer upon the holders thereof the right to participate in the dividend's distribution. The table below presents the composition of the investment shares as of June 30, 2021 and December 31, 2020:

	Number of shares	Investment shares S/(000)	Investment shares US\$(000)
Investment shares	744,640	7,447	2,161
Treasury investment shares	(472,963)	(4,730)	(1,370)
	<u>271,677</u>	<u>2,717</u>	<u>791</u>

The market value of the investment shares amounted to S/16.00 per share as of June 30, 2021 and December 31, 2020. These shares did not have a trading frequency as of June 30, 2021 and 2020.

(c) Dividends

During the six-month periods as of June 30, 2021 and 2020 no distribution of dividends was made.

Dividends declared by S.M.R.L. Chaupiloma Dos de Cajamarca corresponding to non-controlling interest were US\$2,480,000 and US\$1,280,000 for the six-month periods as of June 30, 2021 and 2020, respectively.

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

- (d) Basic and diluted profit (loss) per share –
Profit (loss) per share is calculated by dividing net profit (loss) for the three-month and six-month periods as of June 30, 2021 and 2020 by the weighted average number of shares outstanding during that period. The calculation of profit (loss) per share attributable to the equity holders of the parent is presented below:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
Profit (loss) (numerator) - US\$	37,542,000	(15,567,000)	53,912,000	(83,830,000)
Total common and investment shares (denominator)	253,986,867	253,986,867	253,986,867	253,986,867
Profit (loss) per basic share and diluted - US\$	0.15	(0.06)	0.21	(0.33)

12. Subsidiaries with material non-controlling interest

- (a) Financial information of main subsidiaries that have material non-controlling interest are provided below:

	Country of incorporation and operation	As of June 30, 2021 %	As of December 31, 2020 %
Equity interest held by non-controlling interests:			
Sociedad Minera El Brocal S.A.A.	Peru	38.57	38.57
S.M.R.L. Chaupiloma Dos de Cajamarca	Peru	40.00	40.00
Minera La Zanja S.R.L.	Peru	46.94	46.94
Apu Coropuna S.R.L.	Peru	30.00	30.00
		As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Accumulated balances of material non-controlling interest:			
Sociedad Minera El Brocal S.A.A.		150,401	144,501
Minera La Zanja S.R.L.		18,942	26,121
S.M.R.L. Chaupiloma Dos de Cajamarca		1,613	1,648
Apu Coropuna S.R.L.		76	127
		<u>171,032</u>	<u>172,397</u>

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000)	2021 US\$(000)	2020 US\$(000)
Profit (loss) allocated to material non-controlling interest:				
Sociedad Minera El Brocal S.A.A.	1,870	(4,515)	6,959	(15,121)
Minera La Zanja S.R.L.	(2,764)	14	(7,178)	(3,068)
S.M.R.L. Chaupiloma Dos de Cajamarca	1,368	961	2,445	2,551
Apu Coropuna S.R.L.	(47)	(7)	(52)	(13)
	<u>427</u>	<u>(3,547)</u>	<u>2,174</u>	<u>(15,651)</u>

- (b) The summarized financial information of these subsidiaries, before inter-company eliminations, is presented below:

Statements of financial position as of June 30, 2021:

	Sociedad Minera El Brocal S.A.A. US\$(000)	Minera La Zanja S.R.L. US\$(000)	S.M.R.L. Chaupiloma Dos de Cajamarca US\$(000)	Apu Coropuna S.R.L. US\$(000)
Current assets	191,686	93,191	6,391	579
Non-current assets	523,907	25,176	-	411
Current liabilities	(168,119)	(22,016)	(2,359)	-
Non-current liabilities	(179,475)	(55,997)	-	(740)
Shareholders' equity, net	<u>367,999</u>	<u>40,354</u>	<u>4,032</u>	<u>250</u>
Attributable to:				
Shareholders of the Group	217,598	21,412	2,419	174
Non-controlling interests	150,401	18,942	1,613	76
	<u>367,999</u>	<u>40,354</u>	<u>4,032</u>	<u>250</u>

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

Statements of financial position as of December 31, 2020:

	Sociedad Minera El Brocal S.A.A. US\$(000)	Minera La Zanja S.R.L. US\$(000)	S.M.R.L. Chaupiloma Dos de Cajamarca US\$(000)	Apu Coropuna S.R.L. US\$(000)
Current assets	166,396	104,076	6,814	2,064
Non-current assets	553,754	30,486	-	169
Current liabilities	(170,896)	(22,329)	(2,694)	(1,071)
Non-current liabilities	(195,809)	(56,587)	-	(740)
Shareholders' equity, net	353,445	55,646	4,120	422
Attributable to:				
Shareholders of the Group	208,944	29,525	2,472	295
Non-controlling interests	144,501	26,121	1,648	127
	353,445	55,646	4,120	422

Statements of profit or loss for the six-month periods ended as of June 30, 2021 and 2020:

	Sociedad Minera El Brocal S.A.A. US\$(000)	Minera La Zanja S.R.L. US\$(000)	S.M.R.L. Chaupiloma Dos de Cajamarca US\$(000)	Apu Coropuna S.R.L. US\$(000)
2021 -				
Revenues	198,082	15,246	8,866	-
Profit (loss) for the year	17,027	(15,293)	6,113	(171)
Attributable to non-controlling interests	6,959	(7,178)	2,445	(52)
2020 -				
Revenues	63,181	13,386	9,285	-
Profit (loss) for the year	(36,833)	(6,509)	6,377	(42)
Attributable to non-controlling interests	121	(3,068)	2,551	(13)

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

Statements of cash flow for the six-month periods as of June 30, 2021 and 2020:

	Sociedad Minera El Brocal S.A.A. US\$(000)	Minera La Zanja S.R.L. US\$(000)	S.M.R.L. Chaupiloma Dos de Cajamarca US\$(000)	Apu Coropuna S.R.L. US\$(000)
2021 -				
Operating activities	58,026	(8,253)	(792)	(1,203)
Investing activities	(12,950)	(396)	-	-
Financing activities	(21,586)	(29,117)	-	-
	<u>23,490</u>	<u>(37,766)</u>	<u>(792)</u>	<u>(1,203)</u>
2020 -				
Operating activities	(8,574)	(12,490)	4,257	(46)
Investing activities	(3,127)	(481)	-	-
Financing activities	6,811	-	-	-
	<u>(4,890)</u>	<u>(12,971)</u>	<u>4,257</u>	<u>(46)</u>

13. Sales of goods

The table below presents the detail of sales of goods to customers:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000)	2021 US\$(000)	2020 US\$(000)
Sales by metal				
Silver	94,846	24,289	180,538	75,931
Copper	99,990	14,024	167,900	60,889
Gold	60,951	44,150	106,151	78,385
Zinc	37,555	5,283	72,348	33,194
Lead	14,713	5,640	24,942	18,026
Manganese sulfate	1,175	385	2,032	2,052
	<u>309,230</u>	<u>93,771</u>	<u>553,911</u>	<u>268,477</u>
Commercial deductions	(55,703)	(19,958)	(98,761)	(70,001)
Contracts with customers for sale of goods	253,527	73,813	455,150	198,476
Fair value of accounts receivables	992	14,044	(11,059)	1,075
Adjustments to prior period liquidations	1,088	3,741	(342)	(2,234)
Hedge operations	(22,970)	-	(32,595)	-
Sale of goods	<u>232,637</u>	<u>91,598</u>	<u>411,154</u>	<u>197,317</u>

For the three-month and six-month period ended June 30, 2021, the four customers with sales of more than 10 percent of total sales represented 80 percent from the total sales of the Group (four customers by 75 percent and 80 percent during the three-month and six months ended June 30, 2020, respectively).

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

14. Cost of sales of goods, without considering depreciation and amortization

The table below presents the detail of sales of the cost of sales of goods:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000)	2021 US\$(000)	2020 US\$(000)
Beginning balance of finished goods and products in process, net of depreciation and amortization	31,724	44,591	31,797	31,939
Cost of production				
Services provided by third parties	55,746	11,755	102,224	52,197
Consumption of materials and supplies	28,234	10,160	49,854	30,916
Direct labor	19,933	9,522	41,698	31,332
Short-term and low-value lease	7,915	1,310	13,972	6,196
Maintenance and repair	6,639	434	10,871	4,613
Transport	4,945	1,455	8,868	4,597
Electricity and water	4,595	973	8,694	6,041
Insurances	3,972	2,264	7,951	5,758
Other production expenses	4,190	2,128	8,384	5,274
Provision (reversal) for impairment of finished goods and product in progress, note 5(b)	(1,686)	3,771	(3,998)	14,457
Total cost of production	134,483	43,772	248,518	161,381
Final balance of products in process and finished goods, net of depreciation and amortization	(29,459)	(47,343)	(29,459)	(47,343)
Cost of sales of goods, without considering depreciation and amortization	136,748	41,020	250,856	145,977

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

15. Related entities transactions

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

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000)	2021 US\$(000)	2020 US\$(000)
Revenue from:				
Royalties from Minera Yanacocha S.R.L.	4,907	3,559	8,866	9,285
Energy	791	650	1,703	1,343
Supplies	30	12	133	839
Mineral	-	-	-	211
Purchases from:				
Supplies	17	3	34	10
Services rendered to:				
Administrative and Management services	175	149	363	292
Operation and maintenance services related to energy transmission	66	71	134	141
Services of energy transmission	19	2	115	98
Constructions services	-	-	-	4
Dividends received and collected from:				
Sociedad Minera Cerro Verde S.A.A.	39,169	-	39,169	-
Compañía Minera Coimolache S.A.	-	2,631	3,551	2,631
	<u>39,169</u>	<u>2,631</u>	<u>42,720</u>	<u>2,631</u>
Joint Venture -				
Interest income:				
Transportadora Callao S.A.	23	50	45	71
Non-controlling shareholders -				
Dividends paid to:				
Newmont Peru Limited - Sucursal del Perú	1,080	-	2,480	1,280

Notes to the interim condensed 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 June 30, 2021	As of December 31, 2020
	US\$(000)	US\$(000)
Trade receivables, note 4		
Minera Yanacocha S.R.L.	5,834	5,604
Compañía Minera Coimolache S.A.	282	469
	<u>6,116</u>	<u>6,073</u>
Other receivables, note 4		
Transportadora Callao S.A. (c)	1,996	2,035
Compañía Minera Coimolache S.A.	2	277
	<u>1,998</u>	<u>2,312</u>
	<u>8,114</u>	<u>8,385</u>
	As of June 30, 2021	As of December 31, 2020
	US\$(000)	US\$(000)
Trade payables		
Compañía Minera Coimolache S.A.	115	141
	<u>115</u>	<u>141</u>
Other payables		
Compañía Minera Coimolache S.A.	3	292
Other minor	39	36
	<u>42</u>	<u>328</u>
	<u>157</u>	<u>469</u>

The trade and other receivables from related entities corresponds mainly to disbursements made to these entities in order to finance their operating activities, which generate interest at fixed market rates.

For the six-month periods ended June 30, 2021 and 2020, there is no allowance for expected credit losses related to related parties accounts.

- (c) The account receivable from Consorcio Transportadora Callao S.A. corresponds to the disbursements made between 2011 and 2013 by the subsidiary El Brocal in order to participate in the joint venture, whose objective was the construction of a fixed conveyor belt of minerals and deposits in the Port of Callao. This account receivable generates interest at an annual rate of 5.82 percent and according to the established schedule is charge in eight semi-annual installments from June 2019 to December 2022.
- (d) Key officers
As of June 30, 2021 and December 31, 2020, loans to employees, directors and key personnel amounts to US\$1,000 and US\$7,000, respectively, are paid monthly and earn interest at market rates.

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

There are no loans to the Group's directors and key personnel guaranteed with Buenaventura or any of its Subsidiaries' shares.

The Group's key executives' compensation (including the related income taxes assumed by the Group) are presented below:

	As of June 30, 2021 US\$(000)		As of December 31, 2020 US\$(000)	
Accounts payable:				
Directors' remuneration	1,515		1,797	
Salaries	6,741		856	
Bonus to officers	6,681		5,828	
Total	14,937		8,481	
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
	US\$(000)	US\$(000)	US\$(000)	US\$(000)
Disbursements:				
Salaries	3,189	1,308	6,741	5,445
Directors' compensations	259	-	1,841	-
	3,448	1,308	8,582	5,445

16. Derivative financial instruments –

(a) This caption is made up as follows:

	As of Jun 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Copper prices hedge (b)	(19,312)	(15,804)
Interest rate hedge (c)	(1,556)	(2,635)
	(20,868)	(18,439)

(b) Copper prices hedge –

The volatility of copper prices during the last years has caused the Management of the subsidiary El Brocal to enter into future contracts. These contracts are intended to reduce the volatility of the cash flows attributable to the fluctuations in the copper and zinc price in accordance with existing copper concentrate sales commitments, which are related to 50 percent of the annual production of copper and 25 percent of the production of two years of zinc, according to the risk strategy approved by the Board of Directors.

During the six-month period ended June 30, 2021, the effect in profit or loss was a loss of US\$32,595,000 and it is show in the "Sales of goods" caption. The amount payable is shown in "Trade and other payables" for US\$7,937,000. As of June 30, 2020, the hedge derivative financial instruments has not generate effects in results.

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

The table below presents the composition of open transactions included in the hedge derivative financial instruments as of June 30, 2021:

Quotation period	Concentrate	Metric tone	Quotations		Fair value US\$(000)
			Fixed US\$/DMT	Futures US\$/DMT	
July 2021	Copper	2,000	7,025	9,364	(4,676)
August 2021	Copper	2,000	7,100	9,371	(4,541)
September 2021	Copper	2,000	7,500	9,377	(3,753)
October 2021	Copper	2,000	7,900	9,377	(2,952)
November 2021	Copper	2,000	8,675	9,376	(1,401)
December 2021	Copper	3,000	9,143	9,375	(693)
January 2022	Copper	250	10,280	9,373	227
April 2022	Copper	2,700	9,103	9,463	(970)
May 2022	Copper	3,050	9,175	9,357	(553)
		<u>19,000</u>			<u>(19,312)</u>

The table below presents the composition of open transactions included in the hedge derivative financial instruments as of December 31, 2020:

Quotation period	Concentrate	Metric tone	Quotations		Fair value US\$(000)
			Fixed US\$/DMT	Futures US\$/DMT	
January 2021	Copper	1,250	6,500	7,758	(1,572)
February 2021	Copper	1,250	6,500	7,762	(1,577)
March 2021	Copper	2,250	6,633	7,767	(2,549)
April 2021	Copper	2,000	6,750	7,769	(2,036)
May 2021	Copper	3,000	6,897	7,769	(2,615)
June 2021	Copper	3,000	6,967	7,770	(2,408)
July 2021	Copper	2,000	7,025	7,768	(1,483)
August 2021	Copper	2,000	7,100	7,765	(1,327)
September 2021	Copper	2,000	7,500	7,762	(523)
October 2021	Copper	2,000	7,900	7,757	286
		<u>20,750</u>			<u>(15,804)</u>

Changes in "Hedge derivative financial instruments" is included in unrealized gain on cash flow hedges in interim condensed consolidated statements of other comprehensive income. For the three-month and six-month period ended as of June 30, 2021, an unrealized gain of US\$7,216,000 and an unrealized loss of US\$3,508,000, respectively, included in the caption "Net change in unrealized gain on cash flow hedges" (US\$19,000 as of June 30, 2020).

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

Interest rate hedge –

In order to reduce the exposure to the risk of the variation of the interest rate related to its financial obligations, on April 2, 2020, the Company's Management decided to enter into future contracts in relation to the LIBOR of three months with the banks BBVA Banco Continental, Banco de Credito del Peru, Banco Internacional del Peru and Itaú, which are recorded under cash flow accounting.

There is an economic relationship between the hedged assets and the hedging instruments as the terms of the futures contracts are the same as the terms of the highly probable future transactions. The Company has established a hedging ratio of 1: 1 for hedging relationships as the underlying risk of interest rate futures contracts are identical to the hedged risk components. In order to evaluate the effectiveness of the hedges, the Company uses the hypothetical derivative method, by which it compares the changes in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributed to the hedged risks.

For the three-month and six-month period ended as of June 30, 2021, an unrealized gain of US\$0.4million and US\$1.1 million, respectively included in the caption "Net change in unrealized gain on cash flow hedges". As of June 30, 2020, there were not hedge derivative financial instruments for interest rate hedge.

The following is the composition of the operations to be settled that are part of the liability for hedging derivative instrument as of June 30, 2021:

Maturity	Amount US\$(000)	LIBOR of three months		Fair value US\$(000)
		Fixed	Futures	
October 2022	81,666	2.632%	2.02% - 2.39%	(464)
October 2022	74,167	2.632%	2.02% - 2.39%	(421)
October 2022	74,167	0.732%	0.12% - 0.49%	(416)
July 2022	45,000	2.632%	2.02% - 2.39%	(255)
	<u>275,000</u>			<u>(1,556)</u>

The following is the composition of the operations to be settled that are part of the liability for hedging derivative instrument as of December 31, 2020:

Maturity	Amount US\$(000)	LIBOR of three months		Fair value US\$(000)
		Fixed	Futures	
October 2022	81,666	2.632%	2.06% - 2.14%	(785)
October 2022	74,167	2.632%	2.06% - 2.14%	(712)
October 2022	74,167	0.732%	0.16% - 0.24%	(706)
July 2022	45,000	2.632%	2.06% - 2.14%	(432)
	<u>275,000</u>			<u>(2,635)</u>

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

17. Income taxes

- (a) The income (expense) for income tax shown in the interim condensed consolidated income statement is made up of:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021 US\$(000)	2020 US\$(000)	2021 US\$(000)	2020 US\$(000)
Income tax expense				
Current	(5,064)	(1,122)	(9,460)	(3,107)
Deferred	(1,498)	(3,566)	(11,163)	8,067
	<u>(6,562)</u>	<u>(4,688)</u>	<u>(20,623)</u>	<u>4,960</u>
Mining Royalties and Special Mining Tax				
Current	(3,032)	-	(5,363)	-
Deferred	(116)	(318)	203	81
	<u>(3,148)</u>	<u>(318)</u>	<u>(5,160)</u>	<u>81</u>
Total income tax	<u>(9,710)</u>	<u>(5,006)</u>	<u>(25,783)</u>	<u>5,041</u>

- (b) As of June 30, 2021, the effective income tax rate is 30.64%, while as of June 30, 2020, the effective rate is 4.56%. The increase from one period to another is mainly due to the following: i) changes in projections of results before taxes from one period to another; ii) higher projections of the projected exchange rate as of December 31, 2021; iii) write-off of the deferred stripping cost that was recorded in the second quarter of the year; and iv) higher taxes on mining royalties and a special tax on mining.

18. 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.
- 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.).
- Industrial activities.

The accounting policies used by the Group in reporting segments internally are the same as those contained in the notes of the interim condensed consolidated financial statements.

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. In addition, 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 that are managed independently.

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

															Equity accounted investees				Total operating segments	Adjustments and eliminations	Total
	Colquijirca (Mining operation)	Uchucchacua (Mining operation)	Tambomayo (Mining operation)	La Zanja (Mining operation)	Julcani (Mining operation)	Orcopampa (Mining operation)	Exploration and development mining projects	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial activities	Corporate	Minera Yanacocha S.R.L.	Sociedad Minera Cerro Verde S.A.A	Compañía Minera Coimolache S.A.	Tinka Resources Ltd.				
	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)
For the six months ended June 30, 2021																					
Results:																					
Continuing operations																					
Operating income:																					
Sales of goods	198,082	53,119	85,125	15,246	29,552	27,044	-	-	-	-	-	18,200	-	233,385	1,904,293	112,415	-	2,676,461	(2,265,307)	411,154	
Royalty income	-	-	-	-	-	-	-	-	8,866	-	-	-	-	-	-	-	-	-	8,866	-	8,866
Sales of services	-	-	-	-	-	-	-	26,653	3,974	-	308	9,201	-	60,143	-	-	-	-	100,279	(93,555)	6,724
Total operating income	198,082	53,119	85,125	15,246	29,552	27,044	-	26,653	3,974	8,866	308	27,401	-	293,528	1,904,293	112,415	-	2,785,606	(2,358,862)	426,744	
Operating costs																					
Cost of sales of goods, excluding depreciation and amortization	(105,609)	(64,922)	(37,373)	(21,061)	(15,176)	(24,626)	-	-	-	-	-	(18,478)	-	(204,273)	(1,011,110)	(50,522)	-	(1,553,150)	1,302,294	(250,856)	
Cost of sales of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(9,934)	-	-	-	(2,711)	-	(458)	-	-	-	-	(13,103)	12,710	(393)
Exploration in operating units	(6,347)	(6,089)	(4,100)	(136)	(2,912)	(4,259)	-	-	-	-	-	-	-	-	-	-	-	-	(25,464)	20,123	(94,820)
Depreciation and amortization	(34,213)	(8,001)	(33,026)	(2,801)	(3,335)	(3,799)	-	(4,514)	-	-	-	(5,436)	-	-	-	-	-	-	(114,943)	1,621	(23,843)
Mining royalties	-	(548)	(841)	(157)	(326)	(2,565)	-	-	-	-	-	-	-	-	-	-	-	-	(4,437)	-	(4,437)
Total operating costs	(146,169)	(79,560)	(75,340)	(24,155)	(21,749)	(35,249)	-	(14,448)	-	-	-	(26,625)	-	(204,731)	(1,011,110)	(71,961)	-	(1,711,097)	1,336,748	(374,349)	
Gross profit (loss)	51,913	(26,441)	9,785	(8,909)	7,803	(8,205)	-	12,205	3,974	8,866	308	776	-	88,797	893,183	40,454	-	1,074,509	(1,022,114)	52,395	
Operating expenses, net																					
Administrative expenses	(3,877)	(4,545)	(7,272)	(1,458)	(2,517)	(2,323)	(775)	(1,416)	(5,238)	(112)	(204)	(645)	(3,024)	(463)	-	(1,955)	(2,724)	(38,548)	5,468	(33,080)	
Selling expenses	(4,761)	(2,135)	(2,228)	(45)	(238)	(122)	-	(352)	-	-	-	(192)	-	(1,238)	(48,764)	(544)	-	(60,619)	50,864	(9,755)	
Write-off of stripping activity asset	(6,763)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,763)	-	(6,763)
Exploration in non-operating areas	(194)	(32)	-	(1,830)	-	-	(240)	-	-	-	-	-	(1,417)	-	-	-	-	(3,713)	15	(3,698)	
Reversal (provision) of contingents and others	(285)	(601)	(12)	40	249	7	129	112	-	15	-	9	766	-	-	160	-	589	(160)	429	
Other, net	614	(868)	(1,036)	366	(393)	(30)	(118)	(16)	-	(46)	368	586	(15,077)	(3,809)	(344)	-	-	(19,803)	18,207	(1,596)	
Total operating expenses	(15,266)	(8,181)	(10,548)	(2,927)	(2,899)	(2,468)	(1,004)	(1,672)	(5,238)	(97)	(250)	(460)	(3,089)	(16,778)	(52,573)	(2,683)	(2,724)	(128,857)	74,394	(54,463)	
Operating profit (loss) tax	36,647	(34,622)	(763)	(11,836)	4,904	(10,673)	(1,004)	10,533	(1,264)	8,769	58	316	(3,089)	72,019	840,610	37,771	(2,724)	945,652	(947,720)	(2,068)	
Share in the results of associates and joint venture	(88)	-	-	-	-	-	-	6,716	(15)	-	17,004	-	122,525	-	-	-	-	146,142	(32,839)	113,303	
Financial income	91	-	-	44	-	-	-	88	-	-	4	3,740	534	1,251	118	27	-	5,897	(2,143)	3,754	
Financial costs	(3,871)	(224)	(143)	(676)	(235)	(246)	(124)	(2,204)	(16)	(1)	-	(50)	(14,488)	(19,211)	(26,032)	(1,234)	-	(68,755)	46,862	(21,893)	
Net gain (loss) from currency exchange difference	(1,659)	(2,029)	(694)	317	(570)	(177)	(812)	(216)	131	(44)	(4)	(1,295)	(1,894)	452	20,436	(1,221)	(97)	10,624	(19,571)	(8,947)	
Profit (loss) before income tax	31,120	(36,875)	(1,600)	(12,151)	4,099	(11,096)	(1,940)	14,917	(1,164)	8,724	17,058	(1,025)	106,794	53,794	836,265	35,434	(2,794)	1,039,560	(955,411)	84,149	
Current income tax	(11,496)	(868)	-	-	-	-	-	(377)	25	(2,611)	(42)	(405)	-	(44,315)	(319,758)	(17,430)	-	(396,409)	381,586	(14,823)	
Deferred income tax	(2,597)	-	-	(3,142)	-	-	-	(1,064)	(124)	-	-	577	(4,529)	-	-	749	-	(10,130)	(830)	(10,960)	
	(14,093)	-	-	(3,142)	-	-	-	(1,441)	(99)	(2,611)	(42)	172	(4,529)	(44,315)	(319,758)	(16,681)	-	(406,539)	380,756	(25,783)	
Profit (loss) from continuing operations	17,027	(36,875)	(1,600)	(15,293)	4,099	(11,096)	(1,940)	13,476	(1,263)	6,113	17,016	(853)	102,265	9,479	516,507	18,753	(2,794)	633,021	(574,655)	58,366	
Loss from discontinued operations																					
Net profit																					
Other segment information as of June 30, 2021																					
Total assets	715,593	125,872	296,563	118,367	36,107	43,563	432,480	365,258	11,832	6,392	377,636	87,405	2,432,938	2,277,399	8,198,570	419,944	53,757	15,999,676	(12,003,904)	3,995,772	
Total liabilities	347,594	51,470	32,619	78,013	33,704	44,765	20,324	160,348	2,715	2,359	122	10,947	405,102	1,943,986	2,247,381	141,543	325	5,523,317	(4,379,475)	1,143,842	
Investments in associates and joint venture	2,342	-	-	-	-	-	-	100,833	-	-	370,649	-	2,123,037	-	-	-	-	2,596,861	(1,037,801)	1,559,060	
Capital expenditures	12,976	7,566	1,075	396	504	921	8,276	201	52	-	-	1,454	895	-	-	-	-	34,316	-	34,316	
Changes in estimates of mine closures plans	-	-	-	-	-	-	-	-	-	-	-	-	35	-	-	-	-	35	-	35	
Accounts receivable from sale of assets	-	-	-	-	-	-	-	-	-	-	-	45	7,434	-	-	-	-	7,479	-	7,479	

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

														Equity accounted investees				Total operating segments	Adjustments and eliminations	Total	
	Colquijirca (Mining operation)	Uchucchacua (Mining operation)	Tambomayo (Mining operation)	La Zanja (Mining operation)	Julcani (Mining operation)	Orcopampa (Mining operation)	Exploration and development mining projects	Energy generation and transmission	Insurance brokerage	Rental of mining concessions	Holding of investment in shares	Industrial activities	Corporate	Minera Yanacocha S.R.L.	Sociedad Minera Cerro Verde S.A.A.	Compañía Minera Coimolache S.A.	Tinka Resources Ltd.				
For the six months ended	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)	
Results:																					
Continuing operations																					
Operating income:																					
Sales of goods	63,181	37,650	48,023	13,386	10,479	22,201	-	-	-	-	13,406	-	304,309	940,493	68,213	-	1,521,341	(1,324,024)	197,317		
Royalty income	-	-	-	-	-	-	-	-	-	9,285	-	-	-	-	-	-	-	9,285	-	9,285	
Sales of services	-	-	-	-	-	-	-	21,997	3,468	-	300	6,385	-	3,641	-	-	-	35,791	(30,106)	5,685	
Total operating income	63,181	37,650	48,023	13,386	10,479	22,201	-	21,997	3,468	9,285	300	19,791	-	307,950	940,493	68,213	-	1,566,417	(1,354,130)	212,287	
Operating costs																					
Cost of sales of goods, excluding depreciation and amortization	(60,592)	(41,976)	(26,283)	(12,119)	(8,011)	(11,019)	-	-	-	-	-	(14,251)	-	(270,990)	(765,614)	(37,213)	-	(1,248,068)	1,102,091	(145,977)	
Unabsorbed cost due to	(10,216)	(3,234)	(823)	(203)	(1,954)	(3,849)	-	-	-	-	-	(599)	-	-	-	-	-	(20,878)	2,161	(18,717)	
Cost of sales of services, excluding depreciation and amortization	-	-	-	-	-	-	-	(8,118)	-	-	-	(1,719)	-	-	-	-	-	-	(9,837)	8,834	(1,003)
Depreciation and	(24,753)	(8,467)	(21,056)	(3,106)	(3,185)	(3,300)	-	(4,695)	-	-	-	(7,332)	-	-	-	-	-	(101,162)	27,524	(73,638)	
Exploration in operating	(1,579)	(2,653)	(1,327)	-	(1,393)	(1,513)	-	-	-	-	-	-	-	-	-	-	-	(9,339)	874	(8,465)	
Mining royalties	(634)	(473)	(325)	(124)	(124)	(1,895)	-	-	-	-	-	-	-	-	-	-	-	(4,147)	572	(3,575)	
Total operating costs	(97,774)	(56,803)	(49,814)	(15,552)	(14,667)	(21,576)	-	(12,813)	-	-	-	(23,901)	-	(270,990)	(765,614)	(63,927)	-	(1,393,431)	1,142,056	(251,375)	
Gross profit (loss)	(34,593)	(19,153)	(1,791)	(2,166)	(4,188)	625	-	9,184	3,468	9,285	300	(4,110)	-	36,960	174,879	4,286	-	172,986	(212,074)	(39,088)	
Operating expenses, net																					
Administrative expenses	(3,995)	(5,470)	(7,063)	(1,025)	(1,551)	(3,256)	(965)	(1,428)	(4,649)	(28)	(238)	(631)	(3,348)	(599)	-	(2,133)	(606)	(36,985)	3,950	(33,035)	
Selling expenses	(2,922)	(1,700)	(1,460)	(50)	(150)	(122)	-	(351)	-	-	-	(317)	-	(735)	(47,702)	(535)	-	(56,044)	49,266	(6,778)	
Exploration in non-	-	(8)	-	(2,198)	-	-	-	-	-	-	-	-	(1,275)	-	-	-	-	(3,481)	16	(3,465)	
Reversal (provision) of contingents and others	(262)	374	65	2	(40)	(142)	215	504	-	-	-	-	136	-	-	(269)	-	583	267	850	
Other, net	4,167	3,668	(597)	74	(111)	(769)	(290)	(45)	-	(5)	(10)	2,218	582	(39,482)	(100,258)	(242)	-	(131,100)	135,081	3,981	
Total operating expenses	(3,012)	(3,136)	(9,055)	(3,197)	(1,852)	(4,289)	(1,040)	(1,320)	(4,649)	(33)	(248)	1,270	(3,905)	(40,816)	(147,960)	(3,179)	(606)	(227,027)	188,580	(38,447)	
Operating profit (loss)	(37,605)	(22,289)	(10,846)	(5,363)	(6,040)	(3,664)	(1,040)	7,864	(1,181)	9,252	52	(2,840)	(3,905)	(3,856)	26,919	1,107	(606)	(54,041)	(23,494)	(77,535)	
Share in the results of associates and joint venture	(50)	-	-	-	-	-	-	3,798	-	-	(27,856)	-	(30,594)	-	-	-	-	(54,702)	48,050	(6,652)	
Financial income	95	-	-	596	-	-	1	252	19	9	-	37	816	3,636	1,982	223	-	7,666	(6,354)	1,312	
Financial costs	(4,707)	(140)	(190)	(736)	(312)	(297)	(197)	(2,743)	(32)	(1)	-	(122)	(6,900)	(19,345)	(49,636)	(1,285)	-	(86,643)	70,923	(15,720)	
Net gain (loss) from currency exchange	(227)	191	67	(300)	50	62	(1,179)	(259)	41	(94)	(7)	(777)	(683)	310	29,972	(827)	-	26,340	(29,455)	(3,115)	
Profit (loss) before income tax	(42,494)	(22,238)	(10,969)	(5,803)	(6,302)	(3,899)	(2,415)	8,912	(1,153)	9,166	(27,811)	(3,702)	(41,266)	(19,255)	9,237	(782)	(606)	(161,380)	59,670	(101,710)	
Current income tax	-	-	-	-	-	-	-	(300)	(31)	(2,789)	(40)	-	-	-	(1,067)	(5,009)	-	(9,236)	6,129	(3,107)	
Deferred income tax	5,660	-	-	(731)	-	-	-	(1,633)	371	-	-	291	4,243	153	-	5,420	-	13,774	(5,626)	8,148	
	5,660	-	-	(731)	-	-	-	(1,933)	340	(2,789)	(40)	291	4,243	153	(1,067)	411	-	4,538	503	5,041	
Profit (loss) from continuing operations	(36,834)	(22,238)	(10,969)	(6,534)	(6,302)	(3,899)	(2,415)	6,979	(813)	6,377	(27,851)	(3,411)	(37,023)	(19,102)	8,170	(371)	(606)	(156,842)	60,173	(96,669)	
Loss from discontinued operations																				(2,812)	
Net loss																					(99,481)
Total assets as of December 31, 2020	720,150	145,287	329,384	134,562	45,999	47,855	425,731	357,830	15,932	6,813	362,419	90,337	2,343,010	2,273,996	7,767,459	418,966	58,744	15,544,474	(11,564,857)	3,979,617	
Total liabilities as of December 31, 2020	366,705	62,024	38,923	78,916	34,431	46,787	22,695	166,396	5,569	2,694	340	13,025	410,197	1,804,427	2,132,131	150,463	611	5,336,334	(4,156,574)	1,179,760	
Other segment information as of June																					
Investments in associates and joint venture as of	2,374	-	-	-	-	-	-	94,117	-	-	168,329	-	2,065,003	-	-	-	-	2,329,823	(836,352)	1,493,471	
Capital expenditures	3,127	3,630	626	481	233	69	11,302	192	7	-	-	1,789	25	-	-	-	-	21,481	-	21,481	
Changes in estimates of mine closures plans	-	-	445	-	-	2,454	-	-	-	-	-	-	-	-	-	-	-	2,899	-	2,899	
Accounts receivable from sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	69,581	-	-	-	-	69,581	-	69,581	

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

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Colquijirca (Operation) US\$(000)	Uchucchacua (Operation) US\$(000)	Tambomayo (Operation) US\$(000)	La Zanja (Operation) US\$(000)	Julcani (Operation) US\$(000)	Orcopampa (Operation) 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)	Total operating segments US\$(000)	Adjustments and eliminations US\$(000)	Total US\$(000)
Revenues by type of customers:														
For the six months ended														
June 30, 2021														
Sales by customers -														
External	198,082	53,119	85,125	32	29,552	27,044	-	-	-	-	18,200	411,154	-	411,154
Inter-segment	-	-	-	15,215	-	-	-	-	-	-	-	15,215	(15,215)	-
	<u>198,082</u>	<u>53,119</u>	<u>85,125</u>	<u>15,247</u>	<u>29,552</u>	<u>27,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,200</u>	<u>426,369</u>	<u>(15,215)</u>	<u>411,154</u>
Services -														
External	-	-	-	-	-	-	705	3,974	-	-	-	4,679	-	4,679
Inter-segment	-	-	-	-	-	-	25,947	-	-	308	9,201	35,456	(33,411)	2,045
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,652</u>	<u>3,974</u>	<u>-</u>	<u>308</u>	<u>9,201</u>	<u>40,135</u>	<u>(33,411)</u>	<u>6,724</u>
Royalties -														
External	-	-	-	-	-	-	-	-	8,866	-	-	8,866	-	8,866
	<u>198,082</u>	<u>53,119</u>	<u>85,125</u>	<u>15,247</u>	<u>29,552</u>	<u>27,044</u>	<u>26,652</u>	<u>3,974</u>	<u>8,866</u>	<u>308</u>	<u>27,401</u>	<u>475,370</u>	<u>(48,626)</u>	<u>426,744</u>
For the six months ended														
June 30, 2020														
Sales by customers -														
External	63,181	37,650	48,023	2,166	10,479	22,201	-	-	-	-	13,399	197,099	-	197,099
Inter-segment	-	-	-	11,220	-	-	-	-	-	-	7	11,227	(11,009)	218
	<u>63,181</u>	<u>37,650</u>	<u>48,023</u>	<u>13,386</u>	<u>10,479</u>	<u>22,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,406</u>	<u>208,326</u>	<u>(11,009)</u>	<u>197,317</u>
Services -														
External	-	-	-	-	-	-	2,217	3,468	-	-	-	5,685	-	5,685
Inter-segment	-	-	-	-	-	-	19,780	-	-	300	6,385	26,465	(26,465)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,997</u>	<u>3,468</u>	<u>-</u>	<u>300</u>	<u>6,385</u>	<u>32,150</u>	<u>(26,465)</u>	<u>5,685</u>
Royalties -														
External	-	-	-	-	-	-	-	-	9,285	-	-	9,285	-	9,285
	<u>63,181</u>	<u>37,650</u>	<u>48,023</u>	<u>13,386</u>	<u>10,479</u>	<u>22,201</u>	<u>21,997</u>	<u>3,468</u>	<u>9,285</u>	<u>300</u>	<u>19,791</u>	<u>249,761</u>	<u>(37,474)</u>	<u>212,287</u>

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

Reconciliation of segment profit (loss)

The reconciliation of segment profit (loss) to the consolidated profit (loss) from continued operations for the six-month periods ended June 30, 2021 and 2020 follows:

	2021 US\$(000)	2020 US\$(000)
Segments profit (loss)	633,021	156,842
Elimination of profit of equity accounted investees, not consolidated (owned by third parties)	(541,945)	(11,909)
Elimination of intercompany sales	(48,626)	(37,474)
Elimination of cost of sales and operating expenses intercompany	48,628	37,413
Elimination of share in the results of subsidiaries and associates	(32,839)	(48,050)
Others	127	(153)
Consolidated profit (loss) from continued operations	<u>58,366</u>	<u>96,669</u>

Reconciliation of segment assets

The reconciliation of segment assets to the consolidated assets follows:

	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Segments assets	15,999,676	15,544,474
Elimination of assets of equity accounted investees, not consolidated (owned by third parties)	(10,949,670)	(10,519,165)
Elimination of the subsidiaries and associates of the Parent company	(1,037,801)	(1,005,368)
Elimination of intercompany receivables	(38,604)	(57,810)
Others	22,171	17,486
Consolidated assets	<u>3,995,772</u>	<u>3,979,617</u>

Reconciliation of segment liabilities

The reconciliation of segment liabilities to the consolidated liabilities follows:

	As of June 30, 2021 US\$(000)	As of December 31, 2020 US\$(000)
Segments liabilities	5,523,317	5,336,334
Elimination of liabilities of equity accounted investees, not consolidated	(4,333,235)	(4,087,632)
Elimination of intercompany payables	(46,240)	(68,961)
Others	-	19
Consolidated liabilities	<u>1,143,842</u>	<u>1,179,760</u>

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

19. Fair value measurement

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) *Fair value disclosure of assets and liabilities according to its hierarchy -*

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Fair value measurement using:		
	Quoted prices	Observable	Unobservable
	in active		
Total	markets	(Level 2)	inputs
US\$(000)	(Level 1)	(Level 2)	(Level 3)
US\$(000)	US\$(000)	US\$(000)	US\$(000)
As of June 30, 2021 -			
Assets and liabilities measured at fair value:			
Fair value of account receivable (subject to provisional pricing)	125,233	-	125,233
Contingent consideration liability	22,597	-	22,597
Hedge instruments	20,868	-	-
As of June 30, 2020 -			
Assets and liabilities measured at fair value:			
Fair value of account receivable (subject to provisional pricing)	126,553	-	126,553
Contingent consideration liability	22,100	-	22,100
Hedge instruments	18,439	-	-

(b) *Financial instruments whose fair value is similar to their book value –*

For financial assets and liabilities such as cash and cash equivalents, trade and other receivables, trade and other payables that are liquid or have short-term maturities (less than three months), it is estimated that their book value is similar to their fair value. The derivatives are also recorded at the fair value so that differences do not need to be reported.

The fair value of account receivable is determined using valuation techniques with information directly observable in the market (future metal quotations).

(c) *Financial instruments at fixed and variable rates –*

The fair value of financial assets and liabilities at fixed and variable rates at amortized cost is determined by comparing the market interest rates at the time of their initial recognition to the current market rates with regard to similar financial instruments. The estimated fair value of deposits that accrue interest is determined by means of cash flows discounted using the prevailing market interest rates in the currency with similar maturities and credit risks.

Based on the foregoing, there are no important existing difference between the value in books and the fair value of the assets and financial liabilities as of June 30, 2021 and December 31, 2020.

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

There were no transfers between Level 1 and Level 2 for the six-month periods ended June 30, 2021 and 2020.

For the six-month periods ended June 30, 2021 and 2020, the fair value of the investment property amounted to US\$842,000. There is not an independent valuation for investment property.

(d) *Fair value measurements using significant unobservable inputs (level 3) –*

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Description	Fair value as of June 30, 2021	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Contingent consideration liability	22,597	Rate before tax	9.27%	A change in the discount rate by 10% (rate of 0.93%) higher/lower, the fair value would increase/decrease in US\$1.5 million.
		Expected revenues annual average (US\$000)	217,118	If expected sales change by 10% higher/lower, the fair value would increase/decrease in US\$2.3 million.

20. Events after the reporting period

Issue of notes -

In order to comply with its tax obligations, the Shareholders' Meeting of May 21, 2021 and by its board of directors on July 12, 2021 approved the issue of notes which were issued on July 23, 2021 with the following terms:

- Denomination of Issue: US\$550,000,000 5.500% Senior Notes due 2026.
- Principal Amount: US\$550,000,000.
- Issue Date: July 23, 2021.
- Maturity Date: July 23, 2026.
- Issue Price: 99.140% of the principal amount.
- Interest Rate: 5.500% per annum.
- Offering Format: private placement under Rule 144A and Regulation S of the U.S. Securities Act of 1933.
- Expected Listing: Buenaventura will apply to list the bonds on the Singapore Exchange Securities Trading Limited ('SGX-ST').

Payment of tax debt -

The Note 29 of the annual consolidated financial statements includes a disclosure of the important contingencies pending as of December 31, 2020. On July 30, 2021, the Company has paid the total tax debt related to the 2007 - 2010 tax audit processes, which were the subject of a deferred and installment payment under the current legislation. The total amount paid of S/2,134,315,579 (equivalent to US\$543,913,246) corresponds to S/2,030,797,739 (equivalent to US\$517,532,553), tax debt that includes tax, penalties and interest that entered in the deferred and installment payment and S/103,517,840 (equivalent to US\$26,380,693) for the interest expenses update as of July 30, 2021.

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

As a consequence of this payment, the resolutions of the deferred and installment payment of the tax debt and the letters of guarantee that were delivered as guarantee for S/2,132,467,694 are being returned to the Issuing Banks.

21. Explanation added for translation to English language

The accompanying interim condensed consolidated financial statements were originally issued in Spanish and are presented based on IAS 34 as described in Note 2. These interim condensed consolidated financial statements should be read in conjunction with the Spanish interim condensed consolidated financial statements, in the event of a discrepancy the Spanish language version prevails.



002-1463

COLEGIO DE CONTADORES PÚBLICOS DE LIMA

CONSTANCIA DE HABILITACIÓN

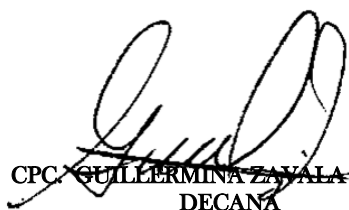
El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que, en base a los registros de la institución, se ha verificado que

PAREDES, BURGA & ASOCIADOS S. CIVIL DE R.L.

REGISTRO DE SOCIEDAD: S0761

Se encuentra, HABIL, para el ejercicio de las funciones profesionales que le faculta la Ley N° 13253 y su modificación Ley N° 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 30 de ABRIL del 2022.

Lima, 30 de MARZO de 2021.


CPC. GUILLERMINA ZAVALA PAUCAR
DECANA


CPC. GLADYS MILAGROS BAZAN ESPINOZA
DIRECTORA SECRETARIA