

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

Interim unaudited consolidated financial statements as of  
September 30, 2013 and 2012 and for the three-month and nine-  
month periods then ended

## Report of Independent Auditors

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

### *Introduction*

We have reviewed the accompanying consolidated financial statements of Compañía de Minas Buenaventura S.A.A. (a Peruvian public corporation) and Subsidiaries (together the "Company"), comprising of the interim consolidated statement of financial position and changes in equity as of September 30, 2013, and the related interim consolidated income statements, comprehensive income and cash flows for the three-month and nine-months periods ended September 30, 2013 and 2012, and explanatory notes. 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 consolidated 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. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

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

Lima, Peru  
October 29, 2013

Countersigned by:

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Victor Burga  
C.P.C.C. Register No. 14859

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

## Consolidated Statement of Financial Position

As of September 30, 2013 (unaudited) and December 31, 2012 (audited)

	Note	2013 US\$(000)	2012 US\$(000) (Note 2)
<b>Asset</b>			
<b>Current assets</b>			
Cash and cash equivalents	4(a)	103,984	186,712
Financial assets at fair value through profit or loss	4(b)	12,864	54,509
Trade accounts receivable and others, net	5(a)	271,611	362,904
Income tax credit		35,217	24,629
Prepaid expenses		8,062	11,837
Asset for embedded derivatives for concentrates sales, net	6(b)	486	-
Inventory, net	7(a)	167,897	157,533
		<u>600,121</u>	<u>798,124</u>
<b>Non-current assets</b>			
Trade accounts receivable and others, net	5(a)	34,645	40,079
Inventory, net	7(a)	14,922	40,253
Investment in associates	8(a)	2,612,248	2,441,039
Mining concessions, development costs, property, plant and equipment, net	9	1,433,375	1,159,805
Deferred income tax asset, net	13(c)	87,013	111,701
Other assets, net		4,898	5,123
		<u>4,187,101</u>	<u>3,798,000</u>
<b>Total asset</b>		<u>4,787,222</u>	<u>4,596,124</u>
<b>Liabilities and shareholders' equity, net</b>			
<b>Current liabilities</b>			
Bank loans	11(a)	21,126	-
Trade accounts payable and others		267,135	259,537
Provisions	10	35,405	71,780
Liability for embedded derivatives for concentrates sales, net	6(b)	-	4,939
Income tax payable		3,160	7,935
Financial obligations	11(b)	28,270	5,815
Hedge derivative financial instruments	6(a)	716	-
		<u>355,812</u>	<u>350,006</u>
<b>Non-current liabilities</b>			
Hedge derivative financial instruments	6(a)	232	-
Trade accounts payable and others		5,219	731
Provisions	10	128,190	100,041
Financial obligations	11(b)	210,892	173,489
		<u>344,533</u>	<u>274,261</u>
<b>Total liabilities</b>		<u>700,345</u>	<u>624,267</u>
<b>Shareholders' equity, net</b>			
Issued capital, net of treasury shares for US\$(000)62,665		750,497	750,540
Investment shares, net of treasury shares for US\$(000)765		1,396	1,399
Additional paid-in capital		219,055	219,471
Legal reserve		162,663	162,663
Other reserves		269	269
Retained earnings		2,683,418	2,572,943
Other reserves of equity		177	925
		<u>3,817,475</u>	<u>3,708,210</u>
Shareholders' equity, net attributable to owners of the parent		3,817,475	3,708,210
Non-controlling interests		269,402	263,647
<b>Total shareholders' equity, net</b>		<u>4,086,877</u>	<u>3,971,857</u>
<b>Total liabilities and shareholders' equity, net</b>		<u>4,787,222</u>	<u>4,596,124</u>

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

## Consolidated Income Statement (unaudited)

For the three-month and nine-months periods ended September 30, 2013 and 2012

	Note	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
		2013 US\$(000)	2012 US\$(000) (Note 2)	2013 US\$(000)	2012 US\$(000) (Note 2)
<b>Operating income</b>					
Net sales	14(a)	335,283	393,987	949,255	1,084,736
Royalty income	18(a)	10,538	17,868	37,033	54,621
<b>Total income</b>		<u>345,821</u>	<u>411,855</u>	<u>986,288</u>	<u>1,139,357</u>
<b>Operating costs</b>					
Cost of sales, without considering depreciation and amortization	15	(162,964)	(161,958)	(493,968)	(430,651)
Exploration expenses in operating units	16	(39,140)	(30,341)	(135,190)	(97,153)
Depreciation and amortization		(40,078)	(32,445)	(125,748)	(84,240)
Royalties		(7,272)	(10,963)	(23,867)	(30,120)
<b>Total operating costs</b>		<u>(249,454)</u>	<u>(235,707)</u>	<u>(778,773)</u>	<u>(642,164)</u>
<b>Gross profit</b>		<u>96,367</u>	<u>176,148</u>	<u>207,515</u>	<u>497,193</u>
<b>Operating expenses</b>					
Administrative expenses	17	(16,923)	(22,856)	(56,484)	(77,652)
Exploration in non-operating areas		(5,686)	(27,400)	(23,361)	(73,229)
Selling expenses		(4,063)	(5,204)	(12,543)	(12,281)
Other, net		(6,273)	2,094	3,358	1,831
<b>Total operating expenses</b>		<u>(32,945)</u>	<u>(53,366)</u>	<u>(89,030)</u>	<u>(161,331)</u>
<b>Operating profit</b>		<u>63,422</u>	<u>122,782</u>	<u>118,485</u>	<u>335,862</u>
<b>Other income, net</b>					
Share in the results of associates under equity method	8(b)	40,866	118,340	173,840	376,721
Net gain (loss) from currency exchange difference		(106)	527	(6,709)	(254)
Financial income		697	2,470	2,353	7,761
Financial costs		(1,157)	(1,502)	(9,510)	(4,682)
<b>Total other income, net</b>		<u>40,300</u>	<u>119,835</u>	<u>159,974</u>	<u>379,546</u>
<b>Profit before income tax</b>		<u>103,722</u>	<u>242,617</u>	<u>278,459</u>	<u>715,408</u>
Income tax	13(a)	(29,176)	(36,046)	(72,121)	(115,685)
<b>Net profit</b>		<u>74,546</u>	<u>206,571</u>	<u>206,338</u>	<u>599,723</u>
Attributable to:					
Owners of the parent		65,114	188,221	186,744	549,540
Non-controlling interests		9,432	18,350	19,594	50,183
		<u>74,546</u>	<u>206,571</u>	<u>206,338</u>	<u>599,723</u>
<b>Basic and diluted earnings per share attributable to owners of the parent, stated in U.S. dollars</b>					
		<u>0.26</u>	<u>0.74</u>	<u>0.73</u>	<u>2.16</u>
Weighted average number of shares outstanding (common and investment), in units					
		<u>254,186,867</u>	<u>254,232,571</u>	<u>254,186,867</u>	<u>254,232,571</u>

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

## Consolidated Statement of Comprehensive Income (unaudited)

For the three-month and nine-months periods ended September 30, 2013 and 2012

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Net profit</b>	<u>74,546</u>	<u>206,571</u>	<u>206,338</u>	<u>599,723</u>
<b>Other comprehensive income:</b>				
Change in unrealized loss on derivative financial instruments	(948)	(669)	(948)	(1,363)
Income tax effect	<u>328</u>	<u>201</u>	<u>328</u>	<u>409</u>
	<u>(620)</u>	<u>(468)</u>	<u>(620)</u>	<u>(954)</u>
Change in unrealized gain (loss) on other investments	-	412	(434)	(1,187)
Income tax effect	<u>-</u>	<u>(124)</u>	<u>-</u>	<u>356</u>
	<u>-</u>	<u>288</u>	<u>(434)</u>	<u>(831)</u>
<b>Other comprehensive income</b>	<u>(620)</u>	<u>(180)</u>	<u>(1,054)</u>	<u>(1,785)</u>
<b>Total comprehensive income</b>	<u>73,926</u>	<u>206,391</u>	<u>205,284</u>	<u>597,938</u>
<b>Attributable to:</b>				
Owners of the parent	64,800	188,271	185,996	548,225
Non-controlling interests	<u>9,126</u>	<u>18,120</u>	<u>19,288</u>	<u>49,713</u>
	<u>73,926</u>	<u>206,391</u>	<u>205,284</u>	<u>597,938</u>

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

## Consolidated Statement of Changes in Shareholders' Equity (unaudited)

For the nine-month periods ended September 30, 2013 and 2012

	Attributable to owners of the parent										
	Issued capital, 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 interests US\$(000)	Total equity US\$(000)
	Number of shares outstanding	Common shares US\$(000)	Investment shares US\$(000)								
<b>Balances as of January 1, 2012</b>	253,415,190	750,540	2,019	225,978	162,639	269	2,034,768	2,068	3,178,281	262,198	3,440,479
Net profit, note 2	-	-	-	-	-	-	549,540	-	549,540	50,183	599,723
Other comprehensive income	-	-	-	-	-	-	-	(1,315)	(1,315)	(470)	(1,785)
<b>Total comprehensive income</b>	-	-	-	-	-	-	549,540	(1,315)	548,225	49,713	597,938
Dividends declared and paid, notes 12(a) and (b)	-	-	-	-	-	-	(101,779)	-	(101,779)	(39,117)	(140,896)
Capital reduction in Minera La Zanja S.R.L., note 1(e)	-	-	-	-	-	-	-	-	-	(12,674)	(12,674)
Purchase of treasury shares	-	-	(620)	(6,507)	-	-	-	-	(7,127)	-	(7,127)
Expired dividends	-	-	-	-	10	-	-	-	10	-	10
<b>Balances as of September 30, 2012</b>	<u>253,415,190</u>	<u>750,540</u>	<u>1,399</u>	<u>219,471</u>	<u>162,649</u>	<u>269</u>	<u>2,482,529</u>	<u>753</u>	<u>3,617,610</u>	<u>260,120</u>	<u>3,877,730</u>
<b>Balances as of January 1, 2013, note 2</b>	253,415,190	750,540	1,399	219,471	162,663	269	2,572,943	925	3,708,210	263,647	3,971,857
Net profit	-	-	-	-	-	-	186,744	-	186,744	19,594	206,338
Other comprehensive income	-	-	-	-	-	-	-	(748)	(748)	(306)	(1,054)
<b>Total comprehensive income</b>	-	-	-	-	-	-	186,744	(748)	185,996	19,288	205,284
Dividends declared and paid, notes 12(a) and (b)	-	-	-	-	-	-	(76,269)	-	(76,269)	(13,533)	(89,802)
Purchase of treasury shares	-	(43)	(3)	(416)	-	-	-	-	(462)	-	(462)
<b>Balances as of September 30, 2013</b>	<u>253,415,190</u>	<u>750,497</u>	<u>1,396</u>	<u>219,055</u>	<u>162,663</u>	<u>269</u>	<u>2,683,418</u>	<u>177</u>	<u>3,817,475</u>	<u>269,402</u>	<u>4,086,877</u>

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

## Consolidated Statement of Cash Flows (unaudited)

For the three-month and nine-month periods ended September 30, 2013 and 2012

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Operating activities</b>				
Proceeds from sales	291,083	363,513	1,039,480	1,057,157
Value added tax recovered	25,399	16,884	59,106	30,161
Royalties received	13,646	19,818	39,824	55,071
Dividends received	712	3,845	7,776	10,854
Interest received	1,992	1,528	4,133	6,906
Payments to suppliers and third parties	(176,678)	(212,512)	(654,597)	(607,692)
Payments to employees	(66,545)	(33,694)	(170,277)	(155,521)
Income tax paid	(11,392)	(31,238)	(66,380)	(107,057)
Payments of royalties	(10,497)	(9,738)	(27,991)	(29,798)
Interest paid	(143)	(514)	(8,558)	(1,279)
<b>Cash and cash equivalents provided by operating activities</b>	<u>67,577</u>	<u>117,892</u>	<u>222,516</u>	<u>258,802</u>
<b>Investing activities</b>				
Settlement of financial assets at fair value through profit or loss	40,000	-	40,000	-
Proceeds from collection of associate loan	5,530	-	20,494	-
Proceeds from sale of mining concessions, property, plant and equipment	1,948	98	4,963	119
Decrease in time deposits	-	2,736	-	9,582
Purchase of investments	-	(23,273)	-	(32,184)
Purchase of mining concessions, development costs, property, plant and equipment	(122,818)	(140,213)	(356,082)	(308,920)
Contributions to associates	(1,654)	(13,083)	(5,339)	(21,961)
<b>Cash and cash equivalents used in investing activities</b>	<u>(76,994)</u>	<u>(173,735)</u>	<u>(295,964)</u>	<u>(353,364)</u>
<b>Financing activities</b>				
Proceeds from financial obligations	-	40,026	60,000	54,313
Proceeds from bank loans	21,126	-	21,126	-
Purchase of non-controlling interest shares	-	(7,980)	-	(7,980)
Dividends paid	-	-	(76,269)	(101,779)
Dividends paid to non-controlling interests	(6,960)	(4,942)	(13,533)	(39,117)
Purchase of treasury shares	-	-	(462)	-
Repayments of financial obligations	(41)	-	(142)	(1,020)
<b>Cash and cash equivalents provided by (used in) financing activities</b>	<u>14,125</u>	<u>27,104</u>	<u>(9,280)</u>	<u>(95,583)</u>
Net increase (decrease) in cash and cash equivalents for the period	4,708	(28,739)	(82,728)	(190,145)
Cash and cash equivalents at beginning of period	99,276	309,441	186,712	470,847
<b>Cash and cash equivalents at end of period, note 4(a)</b>	<u>103,984</u>	<u>280,702</u>	<u>103,984</u>	<u>280,702</u>

## Consolidated Statement of Cash Flows (unaudited) (continued)

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Reconciliation of net profit to cash and cash equivalents provided by operating activities</b>				
Net profit attributable to owners of the parent	65,114	188,221	186,744	549,540
<b>Plus (less):</b>				
Depreciation and amortization	40,549	32,445	126,219	84,240
Deferred income tax expense	13,928	5,373	25,688	18,518
Net profit attributable to non-controlling interests	9,432	18,350	19,594	50,183
Accretion expense of the provision for closure of mining units and exploration projects	926	988	7,074	3,405
Share in the results of associates under equity method, net of dividends received in cash	(40,154)	(114,495)	(166,064)	(365,867)
Provisions	7,868	(124,047)	(5,164)	(137,589)
Net loss (gain) from currency exchange difference	106	(527)	6,709	254
Changes in the fair value of embedded derivatives of concentrate sales and adjustments on open liquidations	(33,243)	(21,983)	(7,651)	(32,076)
Proceeds from sale of mining concessions, property, plant and equipment	(1,948)	(98)	(4,963)	(119)
<b>Net changes in assets and liabilities' accounts</b>				
Decrease (increase) in operating assets -				
Trade accounts receivable and others	(25,013)	(17,576)	63,458	(30,639)
Income tax credit	1,279	4,677	(10,588)	-
Prepaid expenses	6,001	(21,512)	4,093	(26,747)
Inventory	(4,562)	(5,871)	17,742	(21,247)
Increase (decrease) in operating liabilities -				
Trade accounts payable and others	32,408	187,253	20,190	194,976
Provisions	(4,466)	(13,114)	(55,790)	-
Income tax payable	(648)	(192)	(4,775)	(28,030)
<b>Cash and cash equivalents provided by operating activities</b>	<u>67,577</u>	<u>117,892</u>	<u>222,516</u>	<u>258,802</u>

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

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

As of September 30, 2013 and 2012

#### 1. Identification and business activity

##### (a) Identification -

Compañía de Minas Buenaventura S.A.A. (hereinafter "Buenaventura") is a publicly traded corporation incorporated in 1953 in the city of Lima. 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 at Carlos Villarán Avenue 790, Santa Catalina, Lima, Peru.

##### (b) Business activity -

Buenaventura, individually and associated with third parties, is engaged in the exploration, extraction, concentration, smelting and commercialization of polymetallic ore and metals.

Buenaventura directly operates nine mining units located in Peru: Uchucchacua, Orcopampa, Poracota, Julcani, Recuperada, Antapite, Mallay, Breapampa and Shila - Paula. In addition, the Company has a controlling interest in Sociedad Minera El Brocal S.A.A. (hereinafter "El Brocal"), which operates the Colquijirca mining unit; in Minera La Zanja S.R.L. (hereinafter "La Zanja"), which operates the La Zanja mining unit; and in other companies engaged in mining activities. The Company also owns an electric generating entity (in construction stage), an energy transmission entity, as well as other service entities.

# Notes to the interim consolidated financial statements (unaudited)

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

	As of September 30, 2013		As of December 31, 2012	
	Direct %	Indirect %	Direct %	Indirect %
<b>Holding of investments, mining concessions, exploration and exploitation of minerals</b>				
Compañía Minera Condesa S.A.	100.00	-	100.00	-
Compañía Minera Colquirrumi S.A.	100.00	-	100.00	-
Sociedad Minera El Brocal S.A.A. (d)	2.54	48.18	2.54	48.18
Inversiones Colquijirca S.A.	99.99	-	99.99	-
S.M.R.L. Chaupiloma Dos de Cajamarca	20.00	40.00	20.00	40.00
Minera La Zanja S.R.L. (e)	53.06	.	53.06	-
Minera Julcani S.A. De C.V.	100.00	.	100.00	-
Compañía de Minas Buenaventura Chile Ltda.	100.00	.	100.00	-
El Molle Verde S.A.C.	100.00	.	100.00	-
Apu Coropuna S.R.L.	70.00	-	-	-
<b>Electric power activity</b>				
Consortio Energético de Huancavelica S.A.	100.00	-	100.00	-
Empresa de Generación Huanza S.A. (f)	-	100.00	-	100.00
<b>Service providers</b>				
Buenaventura Ingenieros S.A.	100.00	-	100.00	-
Bisa Construcción S.A.	-	100.00	-	100.00
Contacto Corredores de Seguros S.A.	-	100.00	-	100.00
<b>Industrial activities</b>				
Procesadora Industrial Río Seco S.A. (g)	100.00	-	100.00	-

- (d) Project for the expansion of El Brocal operations -

As of September 30, 2013, El Brocal has significantly progressed in the project for the expansion of its operations, which consists on reaching a treatment level of 18,000 DMT of ore per day since the first quarter of 2014. The related investment was approved by the Board of Directors of El Brocal on August 15, 2008 and will allow to process ore with lower lead-zinc grade from Tajo Norte and copper from Marcapunta Norte. The project is divided in three stages:

- First: Optimization of current plant from 5,000 DMT of ore per day to 7,000 DMT of ore per day (under operation since October 2010).
- Second: New concentration plant of 2,490 DMT of ore per day (under operation since January 2011).
- Third: Expansion of the new concentration plant from 2,490 DMT of ore per day to 11,000 DMT of ore per day.

# Notes to the interim consolidated financial statements (unaudited)

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The detail is presented below:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
Expansion of refining plant capacity to 18,000 DMT/day	151,621	127,262
Optimization of crushing plant and conveyor belt	94,859	53,674
Construction of Huachacaja tailings areas	88,776	38,060
Expansion of power grid	17,244	14,812
New offices and camps	16,691	16,188
Expansion of Tajo Norte - Marcapunta Norte	16,444	16,429
Support area	5,323	4,311
Program management	5,127	3,852
Borrowing cost	2,536	334
Ore storage	2,098	2,098
Other minor activities	1,269	928
<b>Total</b>	<u>401,988</u>	<u>277,948</u>

(e) Capital stock reduction of Minera La Zanja S.R.L. (La Zanja) -

The Shareholders' Meeting held on January 26, 2012 approved the reduction of the capital stock of La Zanja by US\$27,000,000, through contributions return in cash. This approval was formalized in Public Registers on March 30, 2012. The amount pending of return to non-controlling interests amounts to US\$4,694,000 as of September 30, 2013 (original amount of US\$12,674,000, net of disbursements made by US\$7,980,000).

(f) Construction of hydroelectric power station -

In November 2009, the Consorcio Energético de Huancavelica S.A.'s Board of Directors approved the construction of the 90.6 MW capacity Huanza Hydroelectric Power Station, located in the Santa Eulalia river valley. This investment is in progress since March 2010 and was financed through a financial lease by US\$119,000,000 and own resources. This power station would initiate operations in December 2013.

# Notes to the interim consolidated financial statements (unaudited)

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The costs of works related to the construction of the power station are the following:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
<b>Development costs</b>		
Concessions and other minor	<u>2,171</u>	<u>2,171</u>
<b>Property, plant and equipment</b>		
Water conduction system	95,810	86,967
Preliminary works	44,433	38,216
Borrowing costs	14,888	10,974
Powerhouse and switchyard	13,600	7,754
Pallca dam and water intake	11,762	9,977
Access roads	7,616	7,387
Conduction tube line of Conay river	7,407	6,445
Transmission line in 60 KV	3,327	3,293
Other minor activities	<u>4,567</u>	<u>3,949</u>
	<u>203,410</u>	<u>174,962</u>
<b>Total included as work in progress</b>	<u>205,581</u>	<u>177,133</u>

- (g) Construction of washing, sulfuric acid and manganese sulphate plants -  
The project is located in the Lomera de Huaral community at 102 kilometers from Lima city. The main objective of this project is to wash the manganese content in the lead-silver concentrate of Uchucchacua mining unit with sulfuric acid, in order to chemically reduce the level of manganese and to obtain a higher value added in ore concentrate. This process will also improve recovery of silver and increase the reserves. For the treatment of gaseous effluents of the process, a sulfuric acid recovery plant will be installed, that will be used for the acid wash of the concentrate.

The initial estimated investment for the construction of washing, sulfuric acid and manganese sulphate plants is US\$122,669,292. As of September 30, 2013, the investment made in this project amounted to US\$113,763,000 (US\$84,288,000 as of December 31, 2012) and it is expected to be completed in the four quarter of 2013.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

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## 2. Basis of preparation, presentation and changes in the accounting policies

### 2.1. Basis of preparation and presentation -

The interim consolidated financial statements for the three-month and nine-months periods ended September 30, 2013 and 2012 have been prepared and presented in accordance with IAS 34 - "Interim Financial Reporting".

The interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the audited consolidated financial statements as of and for the year ended December 31, 2012.

### 2.2. New standards interpretations and amendments adopted by the Company -

The criteria and accounting policies used by the Company in the preparation of unaudited interim consolidated financial statements are consistent with those used in the preparation of annual consolidated financial statements, except for the adoption of IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, effective January 1, 2013, applied prospectively to production stripping costs incurred on or after the beginning of the earliest period presented, it means since January 1, 2012.

Until December 31, 2012, the Company used to recognize stripping costs as production costs. As a result of the adoption of IFRIC 20, stripping costs required to produce inventory are recorded as production costs, and those required to access to additional quantities of reserves that will be exploited in future periods are capitalized and amortized over the proven and probable reserves of each mineral body (component) identified in the surface mine.

There are other new standards and amendments effective January 1, 2013, however, they do not have significant impact in the interim consolidated financial statements of the Company.

Below are presented the adjustments made to the consolidated statement of financial position as of December 31, 2012, and to the interim consolidated income statement for the three-month and nine-month periods ended September 30, 2012:

# Notes to the interim consolidated financial statements (unaudited)

(continued)

<b>DRAFT</b>
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	Reported US\$(000)	Adjustments US\$(000)	Restated US\$(000)
<b>Consolidated statement of financial position -</b>			
<b>Assets</b>			
<b>Current assets</b>			
Inventory, net	163,067	(5,534)	157,533
Other current assets	640,591	-	640,591
	<u>803,658</u>	<u>(5,534)</u>	<u>798,124</u>
<b>Non-current assets</b>			
Inventory, net	55,937	(15,684)	40,253
Investment in associates	2,436,237	4,802	2,441,039
Mining concessions, development costs, property, plant and equipment, net	1,134,276	25,529	1,159,805
Deferred income tax asset, net	113,343	(1,642)	111,701
Other non-current assets	45,202	-	45,202
	<u>3,784,995</u>	<u>13,005</u>	<u>3,798,000</u>
<b>Total assets</b>	<u>4,588,653</u>	<u>7,471</u>	<u>4,596,124</u>
<b>Liabilities and shareholders' equity, net</b>			
Current liabilities	350,006	-	350,006
Non-current liabilities	274,261	-	274,261
<b>Total liabilities</b>	<u>624,267</u>	<u>-</u>	<u>624,267</u>
<b>Shareholders' equity, net</b>			
Retained earnings	2,566,787	6,156	2,572,943
Non-controlling interest	262,332	1,315	263,647
Other equity captions	1,135,267	-	1,135,267
<b>Total shareholders' equity, net</b>	<u>3,964,386</u>	<u>7,471</u>	<u>3,971,857</u>
<b>Total liability and shareholders' equity, net</b>	<u>4,588,653</u>	<u>7,471</u>	<u>4,596,124</u>

# Notes to the interim consolidated financial statements (unaudited)

(continued)

<b>DRAFT</b>
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	Reported US\$(000)	Adjustments US\$(000)	Restated US\$(000)
<b>Interim consolidated income statement for the three month period ended 30.09.2012</b>			
Total income	411,855	-	411,855
Cost of sales, without considering depreciation and amortization	(164,106)	2,148	(161,958)
Other operating costs	(73,749)	-	(73,749)
<b>Gross profit</b>	<b>174,000</b>	<b>2,148</b>	<b>176,148</b>
Operating expenses	(53,366)	-	(53,366)
Operating profit	120,634	2,148	122,782
Share in the results of associates under equity method	116,298	2,042	118,340
Other income, net	1,495	-	1,495
<b>Profit before income tax and non-controlling interest</b>	<b>238,427</b>	<b>4,190</b>	<b>242,617</b>
Income tax	(35,069)	(977)	(36,046)
<b>Net profit</b>	<b>203,358</b>	<b>3,213</b>	<b>206,571</b>
Attributable to:			
Owners of the parent	185,585	2,636	188,221
Non-controlling interest	17,773	577	18,350
<b>Net profit</b>	<b>203,358</b>	<b>3,213</b>	<b>206,571</b>
<b>Basic and diluted earnings per share attributable to owners of the parent, stated in U.S. dollars</b>	<b>0.73</b>		<b>0.74</b>
<b>Interim consolidated income statement for the nine month period ended 30.09.2012</b>			
Total income	1,139,357	-	1,139,357
Cost of sales, without considering depreciation and amortization	(434,961)	4,310	(430,651)
Other operating costs	(211,513)	-	(211,513)
<b>Gross profit</b>	<b>492,883</b>	<b>4,310</b>	<b>497,193</b>
Operating expenses	(161,331)	-	(161,331)
Operating profit	331,552	4,310	335,862
Share in the results of associates under equity method	374,304	2,417	376,721
Other income, net	2,825	-	2,825
<b>Profit before income tax and non-controlling interest</b>	<b>708,681</b>	<b>6,727</b>	<b>715,408</b>
Income tax	(114,342)	(1,343)	(115,685)
<b>Net profit</b>	<b>594,339</b>	<b>5,384</b>	<b>599,723</b>
Attributable to:			
Owners of the parent	545,618	3,922	549,540
Non-controlling interest	48,721	1,462	50,183
<b>Net profit</b>	<b>594,339</b>	<b>5,384</b>	<b>599,723</b>
<b>Basic and diluted earnings per share attributable to owners of the parent, stated in U.S. dollars</b>	<b>2.15</b>		<b>2.16</b>

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

### 3. Seasonality of operations

The Company and its subsidiaries operate continuously without major fluctuations due to seasonality factors.

### 4. Cash and cash equivalents and financial assets at fair value through profit or loss

#### (a) Cash and cash equivalents -

The table below presents the components of this caption:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
Cash	1,291	1,017
Bank accounts	62,693	67,695
Time deposits (i)	<u>40,000</u>	<u>118,000</u>
	<u>103,984</u>	<u>186,712</u>

(i) The table below presents the components of time deposits as of September 30, 2013:

Currency	Original maturities	Annual interest rate %	US\$(000)
U.S. dollars	From 9 to 15 days	Between 0.15 and 0.20	<u>40,000</u>

The table below presents the components of time deposits as of December 31, 2012:

Currency	Original maturities	Annual interest rate %	US\$(000)
U.S. dollars	From 5 to 13 days	Between 1.30 and 1.70	<u>118,000</u>

#### (b) Financial assets at fair value through profit or loss -

During the nine-month period ended September 30, 2013, the financial assets at fair value through profit or loss, which correspond to excess cash in mutual funds of variable income, decreased in US\$41,645,000 compared to December 31, 2012, mainly due the settlement of mutual funds for US\$40,000,000.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

## 5. Trade accounts receivable and others, net

(a) The table below presents the components of this caption:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
<b>Trade accounts receivable, net (b)</b>		
Domestic customers	104,857	151,341
Foreign customers	78,321	126,831
Related parties, note 18(b)	13,936	17,650
	<u>197,114</u>	<u>295,822</u>
Allowance for doubtful accounts	(21,741)	(21,741)
	<u>175,373</u>	<u>274,081</u>
<b>Other accounts receivable</b>		
Value added tax credit	82,622	52,655
Related parties, note 18(b)	18,690	38,261
Claims to third parties	14,070	4,613
Loans to third parties	5,254	679
Advances to suppliers	1,618	13,929
Request for refund of value added tax	56	4,573
Other minor	8,573	14,192
	<u>130,883</u>	<u>128,902</u>
<b>Total trade accounts receivable and others, net</b>	<u>306,256</u>	<u>402,983</u>
<b>Classification by maturity:</b>		
Current portion	271,611	362,904
Non-current portion	34,645	40,079
	<u>306,256</u>	<u>402,983</u>

(b) The decrease in trade accounts receivable balance as of September 30, 2013 as compared to the balance as of December 31, 2012 is mainly due to lower billing amounts as a consequence of the lower market quotations as of September 30, 2013 compared to the ones as of December 31, 2012.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

## 6. Hedge derivative financial instruments

### (a) Hedge copper price operations -

The subsidiary El Brocal produces and sells copper. The volatility of copper price during the current year has caused that El Brocal's Management decided to enter into forward contracts. The objective of these contracts, which started since August 8, 2013, is to reduce the cash-flow volatility attributable to the changes in the copper prices, according to the risks strategy designed by the Board of Directors of El Brocal. The contracts seek to eliminate the volatility of the sales price of copper since September 2013 until December 31, 2014, according to the existing copper concentrate sales commitments, which are related to the 25 per cent of annual production of this mineral.

As of September 30, 2013, the fair value of outstanding futures contracts of El Brocal amounted to a liability of US\$948,000 (current portion of US\$716,000 and non-current portion of US\$232,000), with a charge of US\$620,000, net of deferred income tax, shown in Other comprehensive income.

Furthermore, as a result of hedging transactions settled as of September 30, 2013, the Company has accounts receivable to Metal Exchange London intermediaries for US\$156,000, which are presented in the Trade Accounts Receivable and others caption.

### (b) Net embedded derivative for concentrate operations -

As of September 30, 2013 and December 31, 2012, changes in fair value of embedded derivatives for concentrate sales generated assets for US\$486,000 and liabilities for US\$4,939,000, respectively. The effects of net losses were recognized under Net Sales caption in the income statement in the corresponding periods.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

## 7. Inventory, net

(a) The table below presents the components of this caption:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
Finished goods	30,482	37,863
Products in process (b)	105,985	120,615
Spare parts and supplies	50,201	42,552
	<u>186,668</u>	<u>201,030</u>
Provision for impairment of value of inventory	(3,849)	(3,244)
	<u>182,819</u>	<u>197,786</u>
<b>Classification by use:</b>		
Current portion	167,897	157,533
Non-current portion	14,922	40,253
	<u>182,819</u>	<u>197,786</u>

(b) Products in process include the following:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
Classified ore (i)	42,893	47,931
Ore in leach pads (ii)	32,029	35,885
Activated coal	15,572	16,269
Ore in cyanidation process	8,455	14,344
Current ore	5,796	4,344
Other	1,240	1,842
	<u>105,985</u>	<u>120,615</u>
<b>Classification by use:</b>		
Current portion	91,063	80,362
Non-current portion	14,922	40,253
	<u>105,985</u>	<u>120,615</u>

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

- (i) Below is presented a breakdown of classified ore that is stored primarily in the stocks nearby to Tajo Norte unit mine of El Brocal:

	As of September 30, 2013		As of December 31, 2012	
	US\$(000)	DMT	US\$(000)	DMT
Type I and II (copper and silver ore)	3,157	388,613	3,643	494,280
Type III (lead - zinc ore)	39,736	2,453,551	44,288	2,405,266
	<u>42,893</u>	<u>2,842,164</u>	<u>47,931</u>	<u>2,899,546</u>
<b>Classification by use:</b>				
Current portion	27,971		7,678	
Non-current portion	14,922		40,253	
	<u>42,893</u>		<u>47,931</u>	

El Brocal's Management expects to treat this ore when it finishes the expansion of the plant's capacity.

- (ii) It includes gold content of ore deposited in leach pad, whose recovery is achieved through its exposure to acid sulfuric solutions (leaching) and subsequently transferred to the electro-winning plant to produce gold bars. The recovery factor of ounces of gold contained in the leach pads is estimated based upon metallurgical assays performed on treated material.

## 8. Investments in associates

- (a) The table below presents the components of this caption:

	Share in shareholders' equity		Amount	
	As of September 30, 2013 %	As of December 31, 2012 %	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
Minera Yanacocha S.R.L. (c)	43.650	43.650	1,662,553	1,585,395
Sociedad Minera Cerro Verde S.A.A. (d)	19.584	19.584	869,717	788,170
Compañía Minera Coimolache S.A.	49.000	49.000	39,709	32,365
Canteras del Hallazgo S.A.C. (e)	40.095	40.095	37,583	32,423
Other minor investments	-	-	2,686	2,686
			<u>2,612,248</u>	<u>2,441,039</u>

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

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

	<u>For the three-month periods ended September 30,</u>		<u>For the nine-month periods ended September 30,</u>	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
Sociedad Minera Cerro Verde S.A.A. (d)	33,564	45,789	81,562	124,984
Minera Yanacocha S.R.L. (c)	2,391	65,706	77,158	240,437
Compañía Minera Coimolache S.A.	4,911	13,514	15,120	31,410
Canteras del Hallazgo S.A.C. (e)	-	(6,669)	-	(20,110)
	<u>40,866</u>	<u>118,340</u>	<u>173,840</u>	<u>376,721</u>

- (c) Investment in Minera Yanacocha S.R.L. -

The Company, through its subsidiary Compañía Minera Condesa S.A., holds 43.65 per cent of Minera Yanacocha S.R.L. (hereinafter "Yanacocha")'s capital stock. This entity has a gold mine located in Cajamarca, Peru.

Yanacocha is developing the Conga project, which consists of two gold-copper porphyry deposits located northeast of the Yanacocha's operating area in the provinces of Celendín, Cajamarca and Hualgayoc, in Cajamarca region. On April 17, 2012, the independent experts hired by Peruvian Government, issued the international report on water component of the environmental impact study for Conga mining project, which validates essentially the environmental impact study approved in 2010 and includes some recommendations for improvement. On June 22, 2012, Yanacocha's Management approved the recommendations made by the independent experts. As a result, Yanacocha's Management has rescheduled the development activities, focusing on recommended water sustainability activities.

As of September 30, 2013, the Property, Plant and Development Costs associated to the Conga project amounted to US\$133,500,000. As of December 31, 2012, Yanacocha reported 6.5 million and 1,690 million in reserves of gold ounces and copper pounds, respectively, corresponding to Conga project.

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

The Company owns 19.584 per cent of Sociedad Minera Cerro Verde S.A.A. (hereinafter "Cerro Verde")'s capital stock, whose mining activities comprise the extraction, production and commercialization of copper cathodes and concentrates from its copper mining unit located in Arequipa, Peru.

### *Tax Stability Agreements*

On February 13, 1998, Cerro Verde entered into an Agreement of Guarantees and Measures to Promote Investments with the Peruvian Government, under the Peruvian General Mining Law, by means of which Cerro Verde can apply the tax regulations in force as of May 6, 1996.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

Additionally, Cerro Verde has tax stability for a period of 15 years beginning January 1, 1999 (with a maturity date of December 31, 2013).

On July 17, 2012, Cerro Verde entered into a new Agreement of Guarantees and Measures to Promote Investments with the Peruvian Government, under the Peruvian General Mining Law and in connection with the project of operations expansion. This new agreement will allow Cerro Verde's Management to have tax stability for the above mentioned expansion and it is Cerro Verde's Management intention to apply for its use since 2014. According to this new agreement, the new income tax rate will be 32 percent.

## *Tax contingencies*

Law No.28258 "Mining Royalty Law", approved on June 23, 2004, requires to the holders of mining concessions to pay a mining royalty as an economic return for the exploitation of metallic and non-metallic mining resources, which is determined applying rates from one to three percent of the value of concentrate or its equivalent, according to international prices published by the Ministry of Energy and Mines.

Tax Authority considers that Cerro Verde should paid mining royalties for the ore processed in the concentrate plant which started operations at end of year 2006. The tax assessments cover the period from October 2006 to December 2007, as well as years 2008 and 2009. In July 2013, the Tax Court issued resolutions by means of which it confirmed the tax assessments from October to December 2006, as well as for the years 2007 and 2008. The decision of the Tax Court concludes the administrative stage of these assessments.

On September 2013, Cerro Verde's Management filed a protection claim under the Judicial Power (Judicial Power of the Supreme Court of Justice of Arequipa) which demands to Tax Authority, Ministry of Energy and Mines and Tax Court for requiring Cerro Verde the payment of the mining royalties during the term of the Tax Stability Agreement. Cerro Verde's Management believes that its current Tax Stability Agreement signed with the Peruvian Government in 1998 (effective as of January 1, 1999, maturing on December 31, 2013) guarantees that all the minerals extracted from its mining production unit are considered in the tax and administrative stabilized regime, which do not include the obligation to pay a mining royalty.

On October 1, 2013, the Tax Authority issued a payment order to Cerro Verde for a total amount of S/.492,000,000, including interest and penalties of S/.290,000,000, based on the decision of the Tax Court. As permitted by Law, Cerro Verde's Management has requested a postponement (deferral of six months) and a payment by installments (which were granted in a program of 66 monthly payments).

Under the terms of the new Tax Stability Agreement starting January 1, 2014, Cerro Verde will pay mining royalties and the special mining tax for all its production, according to the Law No.29788.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

DRAFT

- (e) Investment in Canteras del Hallazgo S.A.C. -  
Canteras del Hallazgo S.A.C. currently is developing the Chucapaca mining project, located in Moquegua, Peru. There are evidences of gold, copper and silver in Canahuire deposit, which is located in the project area.

As of September 30, 2013, Canteras del Hallazgo S.A.C. is preparing the Feasibility Study and the Environmental Impact Studies of the project, which are expected to be completed during 2013. According to the investment program agreed with the other shareholder, the Company is making capital contributions to this associate, in order to enable the development of this project. As of September 30, 2013, capital contributions of both shareholders for the project were US\$163,829,000 (US\$153,303,000 as of December 31, 2012).

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

The Mining Concessions, Development Cost, Property, Plant and Equipment, Net caption increased from US\$1,159,805,000 to US\$1,433,375,000 between December 31, 2012 and September 30, 2013, mainly due to: (i) investments made in development costs, property, plant and equipment during the nine-month period ended September 30, 2013 by US\$351,995,000, (ii) increase in the cost related to the provision for closure of mining units of US\$45,150,000, and (iii) the effect of depreciation expense for the period by US\$125,748,000. The main additions of the period are related to: (i) the project for the expansion of operations of El Brocal by US\$124,040,000, see note 1(d), and (ii) the construction of Huanza Hydroelectric Power Station by US\$28,448,000, see note 1(f).

# Notes to the interim consolidated financial statements (unaudited)

(continued)

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## 10. Provisions

The table below presents the movement of this caption:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
<b>Opening balance</b>	171,821	177,815
<b>Disbursements by:</b>		
Workers' profit sharing	(31,148)	(34,014)
Provision for closure of mining units	(13,211)	(22,485)
Stock appreciation rights	(6,080)	(16,729)
<b>Increase (reversal) of provisions:</b>		
Provision for closure of mining units	45,150	33,197
Workers' profit sharing	7,538	23,284
Stock appreciation rights	(20,446)	1,799
<b>Accretion expense:</b>		
Provision for closure of mining units	7,074	6,812
<b>Other, net</b>	<u>2,897</u>	<u>2,142</u>
<b>Final balance</b>	<u>163,595</u>	<u>171,821</u>
<b>Classification by maturity:</b>		
Current portion	35,405	71,780
Non-current portion	<u>128,190</u>	<u>100,041</u>
	<u>163,595</u>	<u>171,821</u>

During 2013, the Company updated the provision for closure of mining units, mainly for Julcani, Orcopampa, Shila -Paula and Antapite mining units, according to the requirements of Law N° 28090 - Law that regulates the closure of mining units ("Ley que regula el cierre de minas"), recording an increase in the cost and in the provision for closure of mining units amounting approximately to US\$45,150,000. The Company believes that this liability is sufficient to meet the current environmental protection laws approved by the Ministry of Energy and Mines.

**11. Bank loans and financial obligations**

## (a) Bank loans -

The Bank Loans caption is made up mainly by the bank loan signed by El Brocal for US\$20,000,000. This loan is part of the short time credit line of the Banco de Credito del Peru with a limit of US\$60,000,000. The loan accrues interest calculated at a variable rate of 3 months Libor plus 5 percent and matures on October 31, 2013. This loan will be repaid through the funds proceeding from cash contributions of El Brocal's shareholders by US\$70,000,000, approved on September 25, 2013

## (b) Financial obligations -

The table below presents the detail of Financial Obligations caption as of September 30, 2013 and December 31, 2012:

	Original amount US\$(000)	Period	Guarantee	Annual interest rate	Maturities	2013 US\$(000)	2012 US\$(000)
<b>Sociedad Minera El Brocal S.A.A.</b>							
Banco de Crédito del Perú - Loan	120,000	4 years	Equipment (2 concentrate sales contracts)	Three-month Libor plus 3.00% (3.43% as of September 30, 2013 and 3.32% as of December 31, 2012))	Quarterly payments of US\$2,812,000 and a payment of US\$45,000,000 at final maturity	120,000	60,000
Finance lease agreement	329	2 years	Leased equipment	4.60%	Monthly payments of US\$13,569 from August 2012 to July 2014	135	257
<b>Empresa de Generación Huanza S.A.</b>							
Banco de Crédito del Perú - Finance lease agreement	119,000	10 years	Leased equipment	Three-month Libor plus 4.00% (4.43% as of September 30, 2013 and 4.54% as of December 31, 2012)	Quarterly payments during seven years since capitalization	119,000	119,000
<b>Others minor</b>						<u>27</u>	<u>47</u>
						<u>239,162</u>	<u>179,304</u>
<b>Classification by maturity:</b>							
Current portion						28,270	5,815
Non-current portion						<u>210,892</u>	<u>173,489</u>
						<u>239,162</u>	<u>179,304</u>

On September 25, 2013, the General Shareholders' Meeting of El Brocal unanimously approved the financing through a leaseback scheme (final leaseback) for US\$180,000,000 through the approval of the disposal of assets by the same amount, covering equipment, machinery and production plants located in Colquijirca mining unit. These funds will be used to repay the existing loan by US\$120,000,000 and to meet the obligations needed to complete the project for the expansion of operations. The financing term is 5 years at a variable rate of 3 months Libor plus 5 percent.

# Notes to the interim consolidated financial statements (unaudited)

(continued)

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## 12. Dividends declared and paid

- (a) The table below presents dividends declared and paid for the nine-month periods ended September 30, 2013 and 2012:

Meeting	Date	Dividends declared US\$(000)	Dividend per share US\$
<b>Dividends declared in 2013</b>			
Mandatory Annual Shareholders' Meeting	March 26, 2013	82,690	0.30
Less - Dividends on treasury shares		<u>(6,421)</u>	
		<u>76,269</u>	
<b>Dividends declared in 2012</b>			
Mandatory Annual Shareholders' Meeting	March 26, 2012	110,254	0.40
Less - Dividends on treasury shares		<u>(8,475)</u>	
		<u>101,779</u>	

- (b) Declared dividends related to non-controlling interest are presented below:

	<u>For the three-month periods ended September 30,</u>		<u>For the nine-month periods ended September 30,</u>	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
S.M.R.L. Chaupiloma Dos de Cajamarca	3,520	9,900	10,820	14,820
Sociedad Minera El Brocal S.A.A.	-	4,961	2,713	13,502
Minera La Zanja S.R.L.	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,795</u>
	<u>3,520</u>	<u>14,861</u>	<u>13,533</u>	<u>39,117</u>

# Notes to the interim consolidated financial statements (unaudited)

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## 13. Income taxes

- (a) Current and deferred income (expense) tax portions shown in the unaudited interim consolidated income statements for the three-month and nine-month periods ended September 30, 2013 and 2012 are as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Income tax</b>				
Current	(13,070)	(25,975)	(39,091)	(79,027)
Deferred	(12,067)	(4,087)	(24,628)	(18,458)
	(25,137)	(30,062)	(63,719)	(97,485)
<b>Mining royalties and Special Mining Tax</b>				
Current	(2,178)	(4,698)	(7,342)	(18,140)
Deferred	(1,861)	(1,286)	(1,060)	(60)
	(4,039)	(5,984)	(8,402)	(18,200)
<b>Total income tax</b>	(29,176)	(36,046)	(72,121)	(115,685)

- (b) During the year 2007, the Tax Administration audited the Buenaventura's 2005 Income Tax Return. As a consequence, the Tax Administration issued tax assessments denying recognition of some tax deductions by S/.119,785,000 (equivalent to US\$43,042,000). The main objection consisted in considering as taxable income the reversal of the provision related to commercial contracts, which originally was not deducted to calculate the Income Tax. In July 2013, the Tax Court resolved the assessment made by the Tax Administration, concluding the case through a payment of approximately US\$705,000.

During the years 2012 and 2013, Buenaventura's Income Tax Returns have been audited by the Tax Administration. In March 2013, the Tax Administration started the audit of Buenaventura's Income Tax Returns for the year 2008 and Value Added Tax Returns for the period between January to December 2008.

- (c) During the nine-month period ended September 30, 2013, the Deferred Income Tax Asset, Net caption decreased by US\$24,688,000, mainly as a result of the effects in Buenaventura of: (i) US\$12,087,000 related to the use of the tax-loss carry forward, (ii) US\$9,428,000 related to the translation into U.S. dollars of the tax base of the assets and liabilities in Nuevos Soles, and (iii) US\$7,569,000 related to a lower provision for share-based compensation as explained in note 17.

# Notes to the interim consolidated financial statements (unaudited)

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## 14. Net sales

- (a) The table below presents the detail of net sales for the three-month and nine-month periods ended September 30, 2013 and 2012:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Sales by product</b>				
Gold	153,680	188,848	508,854	580,845
Silver	78,081	127,184	278,193	355,688
Copper	52,784	30,395	123,115	84,386
Zinc	17,288	28,627	56,536	72,566
Lead	12,294	16,762	43,457	39,446
	314,127	391,816	1,010,155	1,132,931
Deductions	(39,349)	(33,933)	(107,500)	(96,014)
Embedded derivative from sale of concentrates	17,906	12,801	4,769	12,450
Adjustments of liquidations for the period	15,337	9,182	2,882	19,626
Hedge operations	156	(152)	156	(146)
Adjustments of liquidations of previous year	(1,671)	787	(11,048)	(15,609)
	306,506	380,501	899,414	1,053,238
<b>Sales of services, electric power and other minor</b>	28,777	13,486	49,841	31,498
	335,283	393,987	949,255	1,084,736

Volumes sold of metallic content were the following:

	For the three-month periods ended September 30,		Increase (decrease)
	2013	2012	
Gold	115,824 OZ	113,565 OZ	2,259 OZ
Silver	4,482,882 OZ	4,392,833 OZ	90,049 OZ
Lead	6,122 MT	8,391 MT	(2,269) MT
Zinc	9,438 MT	15,613 MT	(6,175) MT
Copper	7,670 MT	3,886 MT	3,784 MT

# Notes to the interim consolidated financial statements (unaudited)

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	For the nine-month periods ended September 30,		Increase (decrease)
	2013	2012	
Gold	357,097 OZ	347,400 OZ	9,697 OZ
Silver	12,387,186 OZ	11,882,677 OZ	504,509 OZ
Lead	20,741 MT	19,996 MT	745 MT
Zinc	30,281 MT	37,987 MT	(7,706) MT
Copper	17,159 MT	10,394 MT	6,765 MT

The net average sale prices were the following:

	For the three-month periods ended September 30,		Increase (decrease)
	2013 US\$	2012 US\$	US\$
Gold	1,334.74 / OZ	1,670.77 / OZ	(336.03) / OZ
Silver	20.71 / OZ	29.68 / OZ	(8.97) / OZ
Lead	2,086.83 / MT	2,030.34 / MT	56.49 / MT
Zinc	1,867.78 / MT	1,867.81 / MT	(0.03) / MT
Copper	7,155.10 / MT	7,989.24 / MT	(834.14) / MT

	For the nine-month periods ended September 30,		Increase (decrease)
	2013 US\$	2012 US\$	US\$
Gold	1,428.44 / OZ	1,671.88 / OZ	(243.44) / OZ
Silver	22.60 / OZ	29.93 / OZ	(7.33) / OZ
Lead	2,095.02 / MT	1,972.63 / MT	122.39 / MT
Zinc	1,866.99 / MT	1,909.12 / MT	(42.13) / MT
Copper	7,175.04 / MT	8,119.00 / MT	(943.96) / MT

- (b) During the nine-month period ended September 30, 2013, net sales of the Company decreased by US\$135,481,000 compared to the same period of 2012, primarily due to the net effect of the decline of the international prices of gold, silver, zinc and copper, offset by the increase in the volume of production and sale of gold, silver, lead and copper.

# Notes to the interim consolidated financial statements (unaudited)

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## 15. Cost of sales, without considering depreciation and amortization

The table below presents the components of this caption:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Opening balance of finished goods and products in process</b>	<u>138,544</u>	<u>177,223</u>	<u>158,478</u>	<u>159,801</u>
<b>Cost of production</b>				
Services provided by third parties	70,380	72,761	213,192	188,356
Consumption of materials and supplies	28,089	33,727	88,820	94,779
Direct labor	29,266	24,203	82,951	71,508
Electricity and water	7,930	7,953	22,250	22,333
Transport	3,982	4,045	13,358	11,499
Rentals	6,251	5,133	10,273	8,969
Insurance	2,539	2,652	7,591	7,806
Maintenance and repair	2,103	1,591	5,441	4,783
Cost of concentrate purchase to third parties	(914)	5,088	174	8,378
Increase (decrease) of provision for impairment of finished goods	(1,765)	(3,564)	(610)	516
Other production expenses	<u>13,026</u>	<u>7,134</u>	<u>28,517</u>	<u>27,911</u>
<b>Total cost of production of the period</b>	160,887	160,723	471,957	446,838
<b>Final balance of finished goods and products in process</b>	<u>(136,467)</u>	<u>(175,988)</u>	<u>(136,467)</u>	<u>(175,988)</u>
<b>Costs of sales, without considering depreciation and amortization</b>	<u>162,964</u>	<u>161,958</u>	<u>493,968</u>	<u>430,651</u>

The Cost of Sales, without considering depreciation and amortization caption, increased in US\$63,317,000 during the nine-month period ended September 30, 2013 compared to the same period of 2012, mainly due to the start of production of two new mining units during the second and third quarters of 2012, and to the positive variation in physical inventories by approximately US\$22,011,000 (negative for US\$16,187,000 in the same period of the previous year) as a result of an increased inventory rotation.

# Notes to the interim consolidated financial statements (unaudited)

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## 16. Exploration expenses in operating units

The Exploration expenses in operating units caption increased from US\$97,153,000 as of September 30, 2012 to US\$135,190,000 as of September 30, 2013, mainly explained by higher exploration in the mining units of Poracota, Orcopampa and Antapite.

## 17. Administrative expenses

The Administrative expense caption decreased from US\$77,652,000 during the nine-month period ended September 30, 2012 to US\$56,484,000 in the same period of 2013, explained by the reverse of the long term officers' compensation provision US\$20,446,000 due to lower stock quotations of the Company's ADRs as of September 30, 2013 compared to the stock quotations as of December 31, 2012 (US\$11.71 and US\$35.95, respectively).

## 18. Related parties transactions

(a) The Company made the following transactions with its associates for the periods of three-month and nine-month periods ended September 30, 2013 and 2012:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2013 US\$(000)	2012 US\$(000)	2013 US\$(000)	2012 US\$(000)
<b>Royalties paid by Yanacocha to:</b>				
S.M.R.L. Chaupiloma Dos de Cajamarca	10,538	17,868	37,033	54,621
<b>Income for services rendered to Yanacocha by:</b>				
Consorcio Energético de Huancavelica S.A. (electric power transmission)	228	362	686	1,528
Buenaventura Ingenieros S.A. (implementation of specific work orders)	317	3,614	626	7,230
<b>Dividends received from:</b>				
Compañía Minera Coimolache S.A	712	3,845	7,776	10,854
<b>Contributions made to:</b>				
Canteras del Hallazgo S.A.C.	1,654	13,083	5,339	21,961

# Notes to the interim consolidated financial statements (unaudited)

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- (b) As a result of the transactions indicated in paragraph (a), the Company had the following accounts receivable and payable from related parties:

	As of September 30, 2013 US\$(000)	As of December 31, 2012 US\$(000)
<b>Accounts receivable -</b>		
<b>Trade accounts</b>		
Minera Yanacocha S.R.L.	13,722	16,513
Others	214	1,137
	<u>13,936</u>	<u>17,650</u>
<b>Other accounts</b>		
Compañía Minera Coimolache S.A. (c)	18,690	38,261
<b>Total trade accounts receivable and others</b>	<u>32,626</u>	<u>55,911</u>
<b>Classification by maturity:</b>		
Current portion	14,084	22,534
Non-current portion	18,542	33,377
<b>Total trade accounts receivable and others</b>	<u>32,626</u>	<u>55,911</u>
<b>Trade accounts payable and others -</b>		
Minera Yanacocha S.R.L.	855	603
Compañía Minera Coimolache S.A.	802	1,018
<b>Total trade accounts payable and others</b>	<u>1,657</u>	<u>1,621</u>
<b>Classification by maturity:</b>		
Current portion	1,132	890
Non-current portion	525	731
<b>Total trade accounts payable and others</b>	<u>1,657</u>	<u>1,621</u>

- (c) On October 18, 2010, the Shareholders' Meeting of Compañía Minera Coimolache S.A. approved the development program and financial support of Tantahuatay Project; the total budget of the project was estimated in US\$110,000,000 and the project financing structure was: 30 per cent as capital contributions and 70 per cent as loans from shareholders. As of September 30, 2013, the outstanding loan is US\$18,690,000 and yields interest calculated with a Libor interest rate to 6 months plus 3 per cent. During the nine month period ended September 30, 2013, the collections made amounted to US\$19,310,000.