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Copper Here, There and Everywhere

STATEMENT OF RESPONSIBILITY

"To the best of our knowledge this document contains truthful and sufficient information regarding the development of the business of Southern Copper Corporation ("SCC") during 2008. SCC takes responsibility for its content according to applicable requirements"

Armando Ortega Gomez
Vice President Legal and Secretary

Jose N. Chirinos Fano
Comptroller

CONVERSION INFORMATION: All tonnages in this annual report are metric tons unless otherwise noted. To convert to short tons, multiply by 1.102. All distances are in kilometers, to convert to miles, multiply by 0.62137. All ounces are troy ounces. U.S. dollar amounts represent either historical dollar amounts, where appropriate, or U.S. dollars equivalents translated in accordance with generally accepted accounting principles in the United States. "SCC", "Southern Copper" or the "Company" includes Southern Copper Corporation and its consolidated subsidiaries.

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LETTER TO SHAREHOLDERS

In 2008, as a result of world's unsettled economy metal prices were negatively impacted. Net sales declined 20.3%, from $6,085.7 million in 2007 to $4,850.8 million in 2008. But, the most dramatic decrease occurred in fourth quarter 2008 compared with the fourth quarter of 2007. The LME and COMEX copper prices averaged $1.77 and $1.75 per pound, respectively, in the fourth quarter of 2008, compared with $3.26 and $3.25, respectively, in the fourth quarter of 2007.

The pricing system in the mining industry, in many cases, allows for prices to be settled after the product is already delivered, generally one or two months after the shipment, this gives customers a better ability to match more closely their sales prices to the cost of the material. So, in a period with a sudden change in prices, adjustments have to be made to sales. In the fourth quarter of 2008 copper and molybdenum prices dropped sharply, this required a large downward adjustment in sales value of $419 million and a decrease in net profit of approximately $261 million. We do not expect these negative adjustments to be repeated in the near term.

Partially as a result of these price adjustments, Company earnings in the fourth quarter of 2008, compared to the fourth quarter of 2007, decreased to a loss of $124.7 million from net earnings of $310.9 million. For the year 2008, Company earnings were $1,406.6 million a decrease of 36.5% from 2007.

The decrease in net sales, in fourth quarter and in year 2008 was partially offset with gains of $74.2 and $137.0 million, respectively, on copper hedge transactions.

In fourth quarter of 2008, fuel, power, and repair material cost decreased by 14%, 23%, and 21%, respectively, when compared with the third quarter in 2008. In light of these decreases, our operating cash cost, before byproduct credits, in the fourth quarter 2008 were 26.4% lower than the third quarter 2008. The operating cash cost per pound for the year 2008, including the benefit of byproduct credits was 34.1 cents per pound.

After what has happened in 2008 and what could happen in 2009 and beyond, we believe Southern Copper Corporation has one of the best copper ore reserves in the industry, as well as very significant reserves of molybdenum, silver and zinc. We expect that these reserve positions will allow our Company to operate profitably into

Shovel and truck in Cuajone mine, Moquegua, Peru

the foreseeable future.

Our Company's low operating costs, strong cash position of $716.7 million and low debt level of $1,290.0 million, with no significant amortizations until 2015, will permit us to continue with a profitable operation. At the same time, we have reduced significantly most of our capital investments in new as well as in expansion projects; as we believe this prudence and business discipline is needed during the current low commodity cycle.

Copper production in 2008 was 488,929 tons, compared with 592,182 tons in 2007, a decrease of 17.4%, and principally due to strike closed operations in three of our Mexican mines: Cananea, Taxco and San Martin, and lower ore grades at the Toquepala and La Caridad mines. Smelted and refined copper production in the fourth quarter 2008 were 29.3% and 26.3% higher than in fourth quarter 2007, mainly due to the full capacity production at our modernized Ilo smelter plant, 7.1% higher concentrates production at La Caridad mine and the processing of third party copper at the Caridad smelter.

Molybdenum production was 16,390 tons in year 2008 compared with 16,207 tons in 2007. This increase of 1.1% was due to higher ore grade at La Caridad mine and higher recovery at Cuajone mine partially offset by lower ore at Toquepala mine.

Refined zinc production for the year 2008 was 95,420 tons, 5.1% higher than in 2007 due to the recovery of full capacity at the San Luis Potosi refinery. Refined silver in year 2008 increased by 8.4% compared with year 2007. Sulfuric acid production increased 5.5% in year 2008 compared to year 2007.

In 2008, the Company exceeded its production objectives at the open pit mines of Toquepala, Cuajone and La Caridad, as well as in the IMMSA underground units of Charcas, Santa Eulalia, Santa Barbara, the coking facility at Nueva Rosita and the La Caridad precious metals plant.

As part of our share repurchase program approved by the Board in 2008, Southern Copper has purchased 29.6 million shares of its common stock at an average price of $13.52 per share. With these repurchases the outstanding shareholders have increased their stake in the Company by 3.5%.

As a result of world's unsettled economy and the reduction in metal prices, SCC has decided to reduce dramatically or put on hold capital projects. In 2008 we expended $343.8 million on projects, $172.8 million on maintenance and replacement capital expenditures and $37.0 million on exploration, a combined total of $553.6 million. For 2009 we have reduced our capital and exploration budget from $1,070 million to approximately $415.3 million. Of this amount, $311.2 million would be for projects, $81.4 million for maintenance and replacement capital expenditures and $22.7 million for exploration.

The Company will continue with the environmental projects at its mining and metallurgical facilities. At La Caridad metallurgical complex the gas handling, and dust and effluent treatment projects are being completed. These projects are at 93% and 70% of completion, respectively, and have a combined budget of $9.0 million for 2009.

The Agua Prieta lime plant modernization project, in the Mexican state of Sonora, is moving forward to completion. When finished, this project is expected to reduce the annual lime cost of our Mexican operations by approximately $9.0 million. Due to its capital budget of $14.0 million this project yields an attractive return.

In Peru, for the Cuajone expansion project we have signed a feasibility study contract and will only continue at this point with the engineering and the environmental impact assessment.

Regarding our copper deposit projects at Los Chancas in Peru, El Arco, Pilares and the underground polymetallic mine in Angangueo in Mexico, we will continue to evaluate these projects, but will defer making a final decision until better market conditions make it more prudent to move forward on these projects.

We believe that the measures implemented will allow us to consolidate our position as one of the largest and most efficient metal producers in the world, which we believe will give an economic return to our shareholders, a contribution to the countries and localities where we operate, as well as a benefit for our workers, despite the world's economic problems.

On behalf of Southern Copper Corporation's Board, we express our thanks to all our personnel for their effort, work and dedication, to our clients for their continued trust and loyalty, and to you, our shareholders, for your permanent support.

German Larrea Mota-Velasco
President of the Board

Oscar Gonzalez Rocha
President and Chief Executive Officer

Xavier Garcia de Quevedo
President and Chief Executive Officer

Underground mine worker in Charcas, San Luis Potosi, Mexico

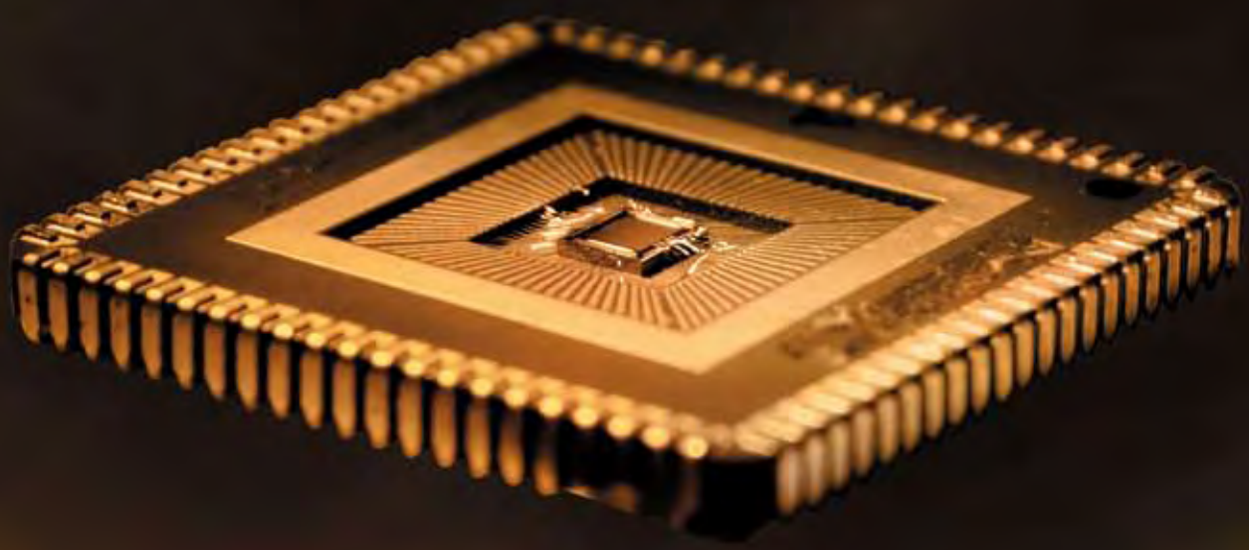
PRODUCTION STATISTICS

Southern Copper Corporation and Subsidiaries.

Production Statistics.

Five-year Slected Production Data.

Copper technology used currently in mid-range servers, increases considerably the high performance as compared to traditional designs with aluminum circuits.



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PRODUCTION STATISTICS

Southern Copper Corporation and Subsidiaries
Five-year Production Statistics

		2008	2007	2006	2005	2004
Copper production Mines	(tons)					
Mined Material	(thousand)	343,762	406,059	409,625	426,951	386,364
Copper in concentrates		418,726	498,207	506,084	574,976	603,907
Copper SX/EW		70,203	93,976	99,575	114,953	114,100
Total Copper		488,929	592,183	605,559	689,929	718,007
Molybdenum in concentrates		16,390	16,208	11,837	14,803	14,373
Zinc in concentrates		106,920	121,013	136,592	143,609	133,778
Silver in concentrates	(kilograms)	383,059	473,672	502,993	575,266	576,372
Smelter/refineries production						
Copper		499,706	467,414	591,794	629,353	594,278
Zinc		95,420	90,766	51,035	101,523	102,556
Silver (thousand ounces)		10,841	10,001	12,379	12,487	10,796
Toquepala						
Mined Material	(thousand)	131,646	130,267	131,607	134,505	115,120
Copper in concentrates		114,147	140,868	151,775	157,456	160,852
Molybdenum in concentrates		4,667	6,228	5,813	5,324	6,004
Cuajone						
Mined Material	(thousand)	118,054	116,438	112,410	109,855	101,265
Copper in concentrates		196,065	182,117	174,404	163,659	194,389
Molybdenum in concentrates		4,442	3,821	3,523	5,279	4,657
Smelter/refineries in Peru						
SX/EW		38,799	36,670	35,805	36,498	42,125
Smelt concentrates		1,003,311	846,245	1,107,458	1,206,252	1,213,030
Blister produced		-	9,342	30,756	325,623	320,722
Anode produced		307,496	232,901	298,435	-	-
Cathode produced		248,742	178,397	273,299	285,205	280,679

		2008	2007	2006	2005	2004
Mexicana de Cobre – Caridad						
Mined Material	(thousand)	85,379	80,819	46,606	75,465	72,430
Copper in concentrates		96,929	102,259	58,071	122,317	110,385
Molybdenum in concentrates		7,281	6,159	2,501	4,200	3,712
Cananea						
Moved material	(thousand)	4,820	74,672	114,595	102,508	93,160
Copper in concentrates		6,165	63,909	111,280	118,741	123,228
Smelter/Refineries in Mexico						
SX/EW		31,403	57,305	63,770	78,454	71,975
Smelt concentrates		574,573	684,806	723,984	894,735	820,459
Anode produced		173,213	204,354	242,410	282,412	250,890
Cathode produced		140,326	173,341	200,357	233,682	202,146
Rod produced		76,283	96,607	96,582	113,165	69,529
Underground Mines						
Contents in concentrates	(tons)					
Zinc		106,920	121,013	136,592	143,609	133,778
Lead		20,445	19,382	19,081	19,545	18,842
Copper in concentrates		5,420	9,054	10,555	12,804	15,053
Silver	(kilograms)	198,004	257,277	288,524	316,723	325,652
Gold	(kilograms)	87	130	139	125	164

COOPER RESERVES

Southern Copper Corporation and Subsidiaries

The table below details our proven and probable copper and molybdenum reserves as estimated at December 31, 2008, calculated at copper price of $3.148 per pound and a molybdenum price of $28.022 per pound.

	Peruvian Operations Open Pit		Mexican Operations Open Pit		Total Open Pit	
	Cuajone	Toquepala	Cananea	La Caridad		IMMSA
Mineral Reserves (thousand of tons)						
Sulfides	2,446,155	4,294,020	6,684,931	3,800,122	17,225,228	48,340
Average Grade: Copper	0.517%	0.442%	0.378%	0.223%	0.379%	0.470%
Average Grade: Molybdenum	0.019%	0.021%	-	0.029%	0.024%	-
Leachable	19,257	1,304,621	1,773,625	1,145,308	4,242,811	
Average Grade: Leachable Material	0.454%	0.064%	0.127%	0.117%	0.106%	
Waste	7,566,914	13,835,964	6,833,021	1,122,993	29,358,892	
Total Material	10,032,326	19,434,605	15,291,577	6,068,423	50,826,931	
Stripping ratio	3.10	3.53	1.29	0.60	1.95	

SELECTED FINANCIAL AND STATISTICAL DATA

Southern Copper Corporation and Subsidiaries
Five-year Production Statistics

For the years ended December 31	2008	2007	2006	2005	2004
(in millions except per share and employee data)					
Consolidated Statement of earnings					
Net sales	$ 4,851	$ 6,086	$ 5,460	$ 4,089	$ 3,097
Operating costs and expenses	2,659	2,589	2,406	2,018	1,614
Operating income	2,202	3,497	3,054	2,071	1,483
Minority interest of investments shares in Income of Peruvian Branch	8	10	9	12	5
Net earnings	$ 1,407	$ 2,216	$ 2,038	$ 1,400	$ 982
Per share amount [1]					
Net earnings - Basic and diluted	$ 1.60	$ 2.51	$ 2.31	$ 1.59	$ 1.11
Dividends paid	$ 1.94	$ 2.27	$ 1.71	$ 0.97	$ 0.22
Consolidated balance sheet					
Total assets	$ 5,764	$ 6,581	$ 6,376	$ 5,688	$ 5,319
Cash and cash equivalent	717	1,409	1,023	876	711
Total debt	1,290	1,450	1,528	1,172	1,330
Stockholder´s equity	3,381	3,848	3,667	3,326	2,814
Consolidated statement of cash flows					
Cash provided from operating activities	1,721	2,703	2,059	1,663	1,172
Dividend paid	1,711	2,002	1,509	854	191
Capital expenditures	517	316	456	471	228
Depreciation & depletion	327	328	275	277	193
Capital stock					
Common shares outstanding (million) [1]	854.9	883.4	883.4	883.4	883.3
NYSE Price - high	$ 41.34	$ 47.12	$ 19.37	$ 11.77	$ 9.02
Price - low	$ 9.19	$ 16.84	$ 11.55	$ 6.94	$ 4.42
Book value per share	$ 3.96	$ 4.36	$ 4.15	$ 3.77	$ 2.29
P/E ratio	10.03	14.05	7.79	7.04	7.08
Financial ratios					
Current assets to current liabilities	2.11	2.84	2.84	2.15	1.70
Net debt as % of capitalization	14.5%	1.0%	12.1%	8.2%	18.0%
Employees (at year end)	11,494	12,268	12,225	12,895	12,801

[1]The number of shares and values per share have been adjusted to reflect the 2008 and the 2006 stock splits.

2008

EXPANSION AND MODERNIZATION PROGRAM

The Ilo Smelter Modernization Project. This project was completed in January 2007 and has allowed SCC to increase sulfur capture over the 92% requirement established in our agreement with the Peruvian government: "PAMA" (Environmental Compliance and Management Program). The average sulfur capture in 2008 was 95%.

EXPAN

Alloying with other metals, copper can acquire some additional invaluable features such as hardness, resistance to tensile stress and greater resistance to corrosion.

NSION

EXPANSION AND MODERNIZATION PROGRAM

MEXICAN OPERATIONS

The Company will continue with the environmental projects at its mining and metallurgical facilities. At La Caridad metallurgical complex the gas handling and dust and effluent treatment projects are being completed. These projects are at 93% and 70% of completion, respectively, and have a combined budget of $9.0 million for 2009.

The Agua Prieta lime plant modernization project, in the Mexican state of Sonora, is moving forward to completion. When finished, this project is expected to reduce the annual lime cost of our Mexican operations by approximately $9.0 million. The capital budget for this project is $14.0 million.

PERUVIAN OPERATIONS

Concerning the expansion and modernization program that has been taking place in recent years, we note the following:

The tailings disposal project for Toquepala and Cuajone is in progress. This project will increase the height of the existing Quebrada Honda Dam to impound future tailings from the Toquepala and Cuajone mills. The installation of the main equipment and construction of access roads for the main and lateral dams have been completed. The first stage of this project will be under development until 2012 and will be completed in March 2009.

The replacement and installation work for the new primary crusher in the Toquepala concentrator was completed; in order to avoid loss of production, the primary crushing for the leaching dumps was used while replacing the original concentrator crusher.

In 2008, the modernized Ilo smelter plant registered a 95% average of sulfur capture.

Construction of the marine trestle at Ilo to offload sulfuric acid was restarted upon the receipt of authorization from the Peruvian Harbor National Authority. The project has reached 66% progress.

The Los Chancas project, located in the department of Apurimac in southern Peru, is a copper and molybdenum porphyry deposit.

As a result of the pre-feasibility studies and after the preliminary design of the pit, estimates show 355 million tons of mineralized material with a copper content of 0.62%, 0.05% of molybdenum and 0.039 grams of gold per ton. In the last quarter of 2008, additional studies were started as well as a diamond drilling program for additional 35,000 meters, in order to define the extent of the deposit. Also a bidding process is under way for a feasibility study to be developed in 2009. While we will continue to evaluate Los Chancas we will defer making a final decision on development until economic conditions improve.

Tia Maria: The Tia Maria project, which includes the Tia Maria and the La Tapada deposits, is located in the department of Arequipa on the southern coast of Peru and is part of a copper porphyritic system. The feasibility studies in 2008 for Tia Maria show 193 million tons of mineralized material with 0.302% copper content.

For La Tapada, the estimated mineralized resources show 445 million tons of mineralized material, with 0.434% copper content.

In 2008, the Company completed the basic engineering and started the detailed engineering studies for the project. The environmental impact assessment is expected to be completed in the second semester of 2009.

As of December 31, 2008, we have spent $118.0 million for the Tia Maria project. We are currently evaluating whether to put on hold or to slow down the spending in light of current market conditions and capital equipment cost.

We estimate spending $112.3 million on this project during 2009, which includes funds necessary to complete environmental and engineering studies, as well as spending previously committed. When completed the new operating unit is expected to produce 120,000 tons of copper cathodes per year.

Toquepala concentrator expansion: As of December 31, 2008, we have spent $37.7 million for the Toquepala expansion. This project is designed to increase annual Toquepala copper production by approximately 100,000 tons per year. We completed the feasibility study. The basic engineering is almost completed and detailed engineering will be started. The environmental impact assessment is also underway and is expected to be completed in the fourth quarter of 2009. We expect to spend $65.5 million in 2009 to complete studies and for previously committed purchase orders. After that, we will put on hold making any new additional capital spending commitments for this project.

Feasibility Study for Cuajone Expansion to 105,000 metric tons per day was completed. However, any further spending is being deferred pending improvement in economic conditions.

Worker in refinery, Ilo, Peru

$37

MILLION IN EXPLORATION

EXPLORATION

In addition to exploration drilling programs at existing mines, we are currently conducting exploration to locate mineral deposits at various other sites in Mexico, Peru and Chile. During 2008, SCC ‘s exploration expenses were $37.0 million.

EXPLO

Copper is ductile, corrosion resistant, malleable and easily recyclable. The versatility of this valuable metal makes it one of the most useful natural resources in the world.

RATION

EXPLORATION

MEXICAN OPERATIONS

In addition to exploratory drilling programs at existing mines, we are currently conducting exploration to locate mineral deposits at various other sites in Mexico. The following are some of the more significant exploration projects:

El Arco. The El Arco site is located in the state of Baja California in Mexico. Preliminary investigations of the El Arco site indicate a deposit of 846 million tons of mineralized material with average copper grades of 0.51% and 0.14 grams of gold per ton, and 170 million tons of leach mineralized materials with average copper grades of 0.56%. In 2008, we have continued the process of identifying water sources for a leaching operation. Production wells will be tested to determine the water potential of this area. Also, five diamond drill holes have been drilled to a depth of 600 meters. The drilling indicates mineralized material, with 0.50%-0.70% copper mineralization extending 270 meters below the previously known mineralization.

Angangueo. The Angangueo site is located in the state of Michoacan in Mexico. A deposit of 13 million tons of mineralized material has been identified with diamond drilling. Testing indicates that the deposit contains mineralized material containing 0.16 grams of gold and 262 grams of silver per ton, and is comprised of 0.79% lead, 0.97% copper and 3.5% zinc. During 2005, we received the approval for our environmental impact study and we are in the process of obtaining land use approval. During 2008, we have continued negotiating with the state of Michoacan to purchase various properties essential to the operation. In addition, a feasibility study was commissioned; the results are expected to be available by the end of first quarter 2009.

Buenavista. The Buenavista project site is located in the state of Sonora in Mexico, adjacent to the Cananea ore body. Drilling and metallurgical studies have shown that the site contains 36 million tons of mineralized material containing 29 grams of silver, 0.69% of copper and 3.3% of zinc per ton. A new "scoping level" study indicates that Buenavista may be an economical deposit. During 2007, 2,100 meters were drilled to upgrade the mineralized material and to acquire material for metallurgical testing. Results confirm the previous geologic interpretation of the mineralized areas. Due to the Cananea strike no work was performed in 2008.

Carbon Coahuila. In Coahuila, an intensive exploration program of diamond drilling has identified two additional areas, Esperanza with a potential for more than 30 million tons of "in place" mineralized coal and Guayacan with a potential for 15 million tons of "in place" mineralized coal, that could be used for a future coal-fired power plant. During 2007 along with 5,767 meters of drilling, 23 million tons of mineralized coal resources were identified at our Nueva Rosita No. 16 concession. Due to changed priorities, no work was done on this project in 2008.

Los Chalchihuites. The Chalchihuites project is located in the state of Zacatecas. It is a contact deposit with mixed oxides and sulfides of lead, copper, zinc and silver. A drilling program, in the late nineties, defined 16 million tons of mineralized material containing 95 grams of silver, 0.36% lead, 0.69% copper and 3.08% zinc per ton. Preliminary metallurgical testing indicates a leaching precipitating-flotation recovery process that can be applied to this ore. Due to other priorities only the diamond drilling for metallurgical testing was performed in 2008.

Sierra de Lobos. This project is located southwest of the city of Leon, Guanajuato. Our target is a copper and zinc deposit with grades between 0.5% and 1.0% copper and between 5% and 7% zinc including a small contribution of gold and silver. In 2008, 1,636 meters were drilled. Results confirm the presence of copper and zinc mineralization, but an economic deposit has not yet been identified.

Pilares. During 2008, we bought Freeport-McMoran's 49% interest in Minera Pilares,S.A. de C.V. ("Minera Pilares"), giving us 100% ownership. Minera Pilares is located in the state of Sonora, ten kilometers from the town of Nacozari de Garcia. The work to clear and prepare the access to the Porvenir tunnel started at the end of 2008. Calculations using Mine-Sight software indicated 52.9 million tons of mineralized material, with 0.92% copper content.

PERUVIAN OPERATIONS

In Peru, we have direct control of 194,190 hectares of mineral rights.

Los Chancas. The Los Chancas project, located in the department of Apurimac in southern Peru, is a copper and molybdenum porphyry deposit. As a result of the pre-feasibility studies and after the preliminary design of the pit, estimates show 355 million tons of mineralized material with a copper content of 0.62%, 0.05% of molybdenum and 0.039 grams of gold per ton. In the last quarter of 2008 additional studies were started as well as a diamond drilling program for additional 35,000 meters, in order to define the extent of the deposit. Also a bidding process is under way for a feasibility study to be developed in 2009.

Tantahuatay. The Tantahuatay project is located in the department of Cajamarca in northern Peru. The exploration work conducted in 2008 was intended to evaluate the upper part of the deposit mainly for gold recovery. Work to date indicates 27.1 million tons of mineralized material, with an average silver content of 13.0 grams per ton and 0.89 grams of gold per ton. In 2008 we continued with the feasibility study and with our efforts to resolve the social and environmental concerns of communities near the project. We have a 44.25% share in this project.

Ore truck carrier in La Caridad, Sonora Complex, Mexico

Underground mine workers, Santa Barbara, Chihuahua, Mexico

OTHER PERUVIAN PROSPECTS

In 2008 we conducted a total of 32,551.90 meters of diamond drilling in the area surrounding the Tia Maria Project as well as regional exploration conducted mainly in the Ayacucho Region. For 2009 the exploration program will be focused in central and southern Peru with defined projects in the Tacna and Ayacucho regions and we will continue with prospecting programs in the different mineralized strips.

CHILE

In Chile we have control of 35,258 hectares of mining rights.

El Salado. The El Salado prospect, located in the Atacama Region, corresponds to a copper-gold ore body which includes the Diego de Almeida sector. During 2008 a total of 3,232 meters of diamond drilling was performed which is expected to continue in 2009.

OTHER CHILEAN PROSPECTS

During 2008 we continued with the exploration of Resguardo, (gold and copper veins) located in northern Chile (Region III-Atacama), with 3,729 meters of diamond drilling. We also performed 1,000 meters of diamond drilling at the Ticnamar prospect located in northern Chile (Region I-Tarapaca). Ticnamar is a porphiric deposit of copper and molybdenum. The exploration program for 2009 mainly contemplates continuing with the diamond drilling at El Salado, Resguardo and Ticnamar and to obtain the necessary permits to continue with the exploration of the gold-silver Catanave prospect located in the Region I.

Birds in Ite Bay

La Tapada deposit in Tia Maria project

COMMUNITY OUTREACH

Southern Copper works with the upper Andean communities of Moquegua and Tacna, promoting sustainable development with these communities, respecting the laws, ethics, the local culture and tradition; furthermore, it cooperates with Peru in the achievement of its objectives.

Copper wire, for a long time, has been the preferred conductor, among all the cables used, for electric supply and telecommunications.

COMMUNITY OUTREACH

MEXICAN OPERATIONS

Due to the extended strike at Cananea and its severe consequences for both the local residents and the Company, it was decided to undertake a social initiative. The Company contracted a consulting group (Grupo Encuentro) who, using novel and original ideas for community participation, approached local groups and helped to improve relations between the Company and the local population.

Grupo Encuentro

The project was carried out over a period of 100 days and it consisted of participatory diagnosis and the identification of local leaders who contributed to the success of the projects, as well as knowing community needs and helping to develop social projects.

The activities included 18 workshops with various participants, 2 youth camps, 8 in-depth interviews, 5 focus groups, 122 random interviews, 7 tours and the "Tree of Commitments" in which the children put into practice skills and human values necessary to face the social and economic reality of the community and made personal commitments to the city.

Grupo Encuentro involved mothers and fathers, children, seniors, workers, religious, teachers, traders and other actors in society in the experience of the workshops and the activities at Cananea, all of them benefited with the lessons learned from these experiences and emotions.

During 2008, operations started in the community centers of the mining units of Santa Eulalia, Santa Barbara and Planta de Nueva Rosita, Coahuila. Activities offered in each of these centers benefit more than 600 people, including women, men, children and older adults. At present, workshops and talks are being presented on dance, computers, carpentry, tailoring, baking, manual works and bijouterie, all of which has generated a large degree of community participation.

IMMSA, in collaboration with the Secretariat of the State of Coahuila, provided training for 22 people at the following locations; Rosita, Palau and Sabinas Coahuila, to work in area production projects. As a result of the efforts of the Secretariat and the National Fund for Support to Solidarity Enterprises (Fondo Nacional de Apoyo a las Empresas de Solidaridad -FONAES) three of the 22 projects are underway: a carpentry shop, a grocery, a cibercoffee and pancake store. All of them have been successful. It is hoped that these type of projects can benefit more people in the community and could help generating self-employment.

In order to promote safety and health at work among the personnel, their families and the community at large, we carried out a "Safety and Health Week 2008" at Planta de Cobre, Units Santa Barbara, Charcas and Taller Central.

In San Luis Potosi health fairs were conducted, with 6,300 participants. These fairs focused on the detection, promotion and appropriate channeling of chronic degenerative diseases. Ten lectures were conducted on preventive medicine with the participation of over 300 people from the neighboring community. Issues such as oral hygiene, breast cancer, diabetes and hypertension, cervical cancer, nutrition and sexuality were presented and discussed at these lectures.

The programs of "Literacy Adviser, Elementary and Secondary open for Adults", organized by the Community Development Center of San Luis, in coordination with the State Institute for Adult Education, benefited over 400 people, and delivered 53 elementary certificates and 150 secondary certificates.

PERUVIAN OPERATIONS

Southern Copper promotes sustainable development projects in the upper Andean communities of Tacna, Moquegua and Arequipa, which are located close to our principal operating facilities. This support is from voluntary contributions made by our Company to the "Asociacion Civil Ayuda del Cobre" (Civil Aid Copper Association) under an agreement signed with the Peruvian government.

The projects within this program work in partnership with local public and nongovernmental organizations to achieve the benefit from legislation and the participation of the neighboring communities; thereby taking into account legislation and the historical and cultural characteristics of each locality.

During 2008, Southern Copper has developed the following programs and projects:

- **Water Resources.-** We believe the most significant achievement is the completion of the construction and improvement of Marisol Hydraulic Splitter, a large hydraulic project that will benefit the Irrigation Commissions of Cairani, Candarave, Huanuara and Quilahuani, in the province of Candarave, through the equitable distribution of water from the Callazas river. According to Dr. Julio Kuroiwa Zevallos, the director of the National Hydraulic Laboratory, the Marisol Hydraulic Splitter has an innovative design for the continent. The total investment for this project was $311,439.37.

  Minor irrigation infrastructure work continued in partnership with the irrigation committees in Candarave, with an investment of $205,741.63, and the construction of the

Tacalaya-Camilaca's hydraulic canal ($205,058.00). Both works are part of the general irrigation system which relates to the Cularjahuira Dike (which geotechnical study, conducted by the Company, will make possible the construction of a new dam).

Southern Copper and the National Engineering University signed an agreement for the Callazas Dam's feasibility study. This project is considered essential for the agricultural development in the region, and it is included in the Development Plan of Tacna, the "Plan Basadre" sponsored by the regional government of Tacna and the Peruvian government. The Company will invest, through the Civil Aid Copper Association, about $700,000.00. The project will include three components: the design of the Callazas Dam, the study for the improvement of major irrigation infrastructure and the study of environmental and social impact. This project will ensure optimal and rational use of water resources for agricultural activity during the dry season.

Also, with an investment of $87,658.90, a geotechnical study for the Cularjahuira Dike was completed. The dike is expected to benefit the approximately 1,900 inhabitants of the districts of Camilaca and Candarave. This study determined the feasibility of building a new dam downstream.

- **Agronomy.-** The Weeds Control Program was carried out in the districts of Cairani, Huanuara and Quilahuani, in Candarave, with the participation of local governments. The program led to the formation of a control network, formed by the people benefited from each locality. By means of this program, there was a decrease in the presence of "kikuyu", an invading plant, along 120 kilometers of channels and 30 hectares of alfalfa cultivation. The total investment in the program was $42,033.15.

  A Biological Control Campaign in the Tambo's Valley, in partnership with the National Service of Agrarian Health (Servicio Nacional de Sanidad Agraria – SENASA) and the User´s Board, eradicated the plague of 'barreno' –a type of damaging worm– in rice crops in the districts of Cocachacra and Punta de Bombon (Arequipa Region). The eradication was done with the release of controlled

wasps in a total area of 400 hectares. According to SENASA assessments, in 350 hectares, the damage to the rice crops by attack of the borer was reduced to less than 5%, thus the program will continue.

Diseases were controlled in the production of oregano, a higher quality product in the area. The use of guano (natural fertilizer from sea birds) was promoted among the oregano producer's associations of the province. Additionally, the producers' association should also benefit from the agreement Strengthening Competitive Capacity of the Oregano Producers, signed with the non-governmental organization "El Taller" and the municipalities of Cairani, Huanuara y Quilahuani, in Candarave. The project requires a total investment of $135,018.11.

In Candarave, the cultivation of thyme, a product used as condiment and in the pharmaceutical industry, was promoted as a alternative product for exportation. A field installation of canola, a seed that contains Omega 3 and Omega 6 and which produces vegetable oil, was successfully completed in alliance with the governmental program Exporting Mountain (Sierra Exportadora).

In addition, plantations of cereals such as oats and corn were promoted, through an agreement signed with the Foundation for Agrarian Development (Fundacion para el Desarrollo Agrario – FDA) and the National Fund for Job Training and Employment Promotion (FONDOEMPLEO).

- **Stockbreeding.-** The Emergency Cattle Care Program was instituted to take care of Candarave cattle producers, affected by the drought period, through the delivery of hay and concentrate at low cost. This action reduced the shortage of feed for cattle and helped to maintain levels of cattle productivity.

  A contingency fund has been established to assist producers in dealing with emergencies, which will be used to reduce risks to the productive local activity. An important part of the production of forage is purchased by the program to support local producers, to

whom it generates economic benefits. The investment is $66,455.91 and the participants in this program are over 800 families.

The Animal Health Program continues providing veterinary technical assistance to producers from 17 communities located in districts of Cairani, Candarave and Quilahuani, in the province of Candarave. Preventive medicine and treatment for prevalent diseases in the high Andean zone were distributed.

Also the Hampshire Sheep Genetic Improvement Project was continued. It took place in 5 communities in the Candarave province, through the use of registered breeders of high genetic quality in local sheep herds from groups of engaged producers.

On the other hand, the implementation of the Agricultural Fair in Tacna, like the Farming Fair of Candarave (in terms of organization, logistics and awards), event in which the exhibition of the best specimens of the various breeds of cattle, alpacas, sheep and Peruvian Paso horses took place. Also, farming fairs in Huaytire and Tacalaya were supported.

- **Nutrition.-** The Nutrition Program called "Southern Forming Healthy Communities" (PRONUT) was successfully launched through field work in communities in the Tacna Region. The program's objective is to determine baseline statistics to establish or re-initiate goals of the program and measure the social impact on beneficiaries.

  These activities included the registration of the potential beneficiaries and were performed by a team of nutritionists and medical laboratory technicians, who, in parallel, tested the nutritional status in children under 5 years old, pregnant women and nursing mothers in Candarave.

  The main goal of PRONUT is to significantly reduce the levels of chronic malnutrition and anemia in children and women, so that they can increase their medium and long term educational and/or professional potential.

Concrete actions of the program include the implementation of healthy baths, upgraded kitchens, family orchards and ecologic bathrooms, small animal farming and continuous training to ensure the sustainability of the program.

Strengthening of Productive Capacities

The Alpaca Genetic Improvement Project continues in the community of Huaytire, in the province of Candarave. The project uses modern techniques for selection, care and breeding species for genetic improvement in the medium term, which will benefit the production chain and the potential for exportation. For this purpose, different activities were performed, including the registration of available animals, the acquisition of top quality breeders and the construction of infrastructure for breeding. This construction is based on the standardized design of the National Institute for Agrarian Innovation. It's built in an area of 180 square meters with capacity to hold up to 900 alpacas.

In addition, the Alpaca Producers Cluster continues in the community of Tacalaya, which, with an initial investment of $79,015.72, aims for a mass production of fur hats and alpaca fiber and by-products, with the purpose of offering them in the local market and for export. This program includes the development of fur, yarn and textile projects, and process improvements in the manufacture of hats and the packaging of oregano products.

The participation of women stands out, taking advantage of their craftsmanship. They will bring in to the family an extra income from textile workshops, like the one built with the support of the Company in community of Santa Cruz (specialized equipment and tools were bought for such activities).

It also highlights the project of strengthening the Torata User Board´s capacities, which will allow for optimizing the management of water use among farmers of the district in Moquegua, thereby maximizing the potential of the sub basins of Torata and Chujulay rivers.

- **Education.-** The rehabilitation and construction of educational infrastructure of 56 schools was concluded. It is a process initiated in 2007 through the construction and/or rehabilitation of classrooms, toilets, laboratories, perimeter fences and sport grounds.

  During 2008, the schools from Cairani, Camilaca, Candarave, Huanuara and Huaytire, in Candarave, were provided with furniture, blackboards, libraries and computer equipment, which will benefit local students. Other districts of the Moquegua Region also received benefits.

- **Health.-** The construction and rehabilitation of 27 health centers was concluded, in the regions of Tacna (Cairani, Camilaca, Candarave, Huanuara and Quilahuani districts) and Moquegua (Mariscal Nieto and General Sanchez Cerro provinces, Carumas, Cuchumbaya, Ichuña, Samegua, San Cristobal and Torata districts).

  Southern Copper promotes the sustainable development of communities located within its area of influence, through the Civil Aid Copper Association, which manages and invests in social projects for sustainable development funds of the Voluntary Contribution program. During 2008, the Company established a local fund of $3'664,490.94 and a regional fund of $14'657,963.74, to benefit the regions of Tacna and Moquegua.

$1.4

BILLION OF EARNINGS

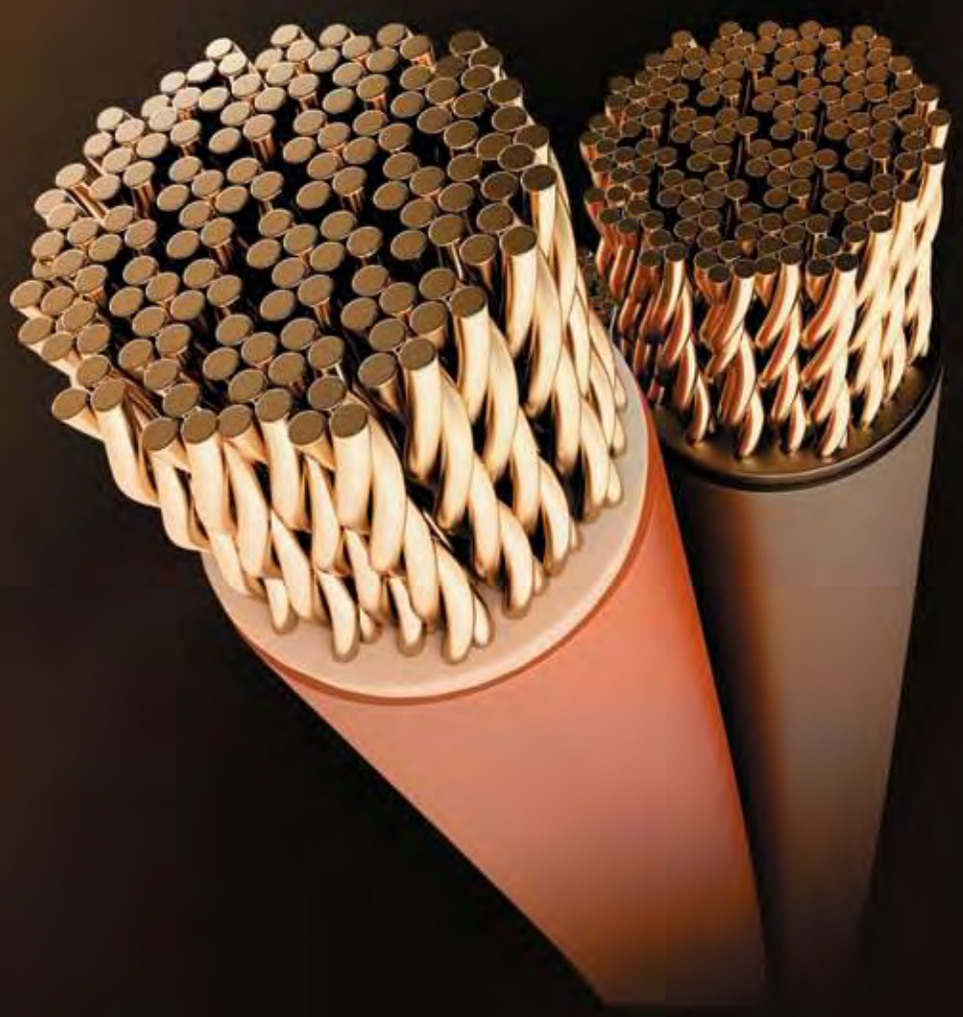
RESULTS OF OPERATIONS

SCC reported 2008 net earnings of $1,406.6 million or diluted earnings of $1.60 per share, compared with net earnings of $2,216.4 million or diluted earnings of $2.51 per share in 2007 and net earnings of $2,037.6 million or diluted earnings of $2.31 per share in 2006.

Net sales in 2008 were $4,850.8 million, compared with $6,085.7 million in 2007 and $5,460.2 million in 2006. Sales decreased by $1,234.9 million in 2008, a 20.3% decline from the previous year. The decrease was principally attributable to a decline in metal prices of copper, molybdenum and zinc, and less production in copper, zinc and silver.

RESU

The unique combination of strength, ductility and resistance to tensile stress and to corrosion makes copper the safest conductor and most preferred for electrical installations in buildings.



ULTS

RESULTS OF OPERATIONS

for the years ended December 31, 2008, 2007 and 2006.

SCC reported 2008 net earnings of $1,406.6 million or diluted earnings of $1.60 per share, compared with net earnings of $2,216.4 million or diluted earnings of $2.51 per share in 2007 and $2,037.6 million or diluted earnings of $2.31 per share in 2006.

The decrease in 2008 earnings is mainly due to the lower production and the fall in copper prices that began by the end of third quarter and continued in the fourth quarter of 2008.

During 2008, price of copper on the London Metal Exchange (LME) and the New York Commodity Exchange (COMEX), averaged $3.16 and $3.13 per pound, respectively, compared to $3.23 and $3.22 per pound, respectively, in 2007.

Operating cash cost: The Company presents its operating costs both including and excluding the revenues of its byproducts (molybdenum, silver, zinc, etc.). Excluded from its calculation of operating cash cost are depreciation, amortization and depletion, exploration, workers participation provisions and other items of non-recurring nature.

The Company's operating cash cost, as previously defined, for the three years ended December 31, is as follows:

	2008	2007	2006
		(in $ cents per pound)	
Cash cost per pound of copper produced	0.341	(0.133)	0.159
Cash cost per pound of copper produced (excluding by-products revenue)	1.714	1.380	1.283

As seen on the previous chart, our cash cost per pound for 2008, when calculated with by-products revenue, are costs of 34.1 cents per pound compared with a credit of 13.3 cents per pound in 2007. The decrease in the by-products credit in 2008 period was largely due to lower molybdenum prices, especially in the last quarter of the year. The effect of lower molybdenum prices reduced the byproducts credit by approximately 13.7 cents per pound for 2008.

Our per pound cash cost, excluding by-product revenues, was higher by 33.4 cents per pound in 2008 compared to 2007 due to a decrease of 17.4% in copper production, principally as a result of the Cananea mine strike, which increased cash cost by 18.1 cents and the higher power and fuel cost which increased cash cost by 9.9 cents.

Net Sales: Net sales in 2008 were $4,850.8 million, compared with $6,085.7 million in 2007 and $5,460.2 million in 2006. Sales decreased by $1,234.9 million in 2008, a 20.3% decline from the previous year. The decrease was principally attributable to a decrease in sales volume of 16.2% and a decline in metal prices.

Copper sales volume decreased 16.2% in 2008 due to a 17.4% decrease in production principally due to the ongoing strike at the Cananea mine and lower ore grades at the Toquepala and La Caridad mines. In 2007, we also lost sales volume at Cananea due to a strike but to a lesser extent than in 2008. In addition, zinc and silver sales volume decreased as result of the strikes at some of our other Mexican operations.

The decline in metal prices began late in the third quarter of the year and continued through the fourth quarter. Copper was 2.8% and 2.2% lower in 2008, depending on whether it was COMEX or LME market, the molybdenum price was 5.0% lower and zinc prices were 42.2% lower.

Prices: Sales prices for the Company's metals are established, mainly by reference to the prices quoted in the London Metal Exchange (LME) and The New York Commodity Exchange (COMEX), or published in the Platt's Metals Week, for dealer oxide mean prices for molybdenum.

Price / volume data	2008	2007	2006
Average Metal Prices			
Copper (per pound - LME)	$ 3.16	$ 3.23	$ 3.05
Copper (per pound - COMEX)	$ 3.13	$ 3.22	$ 3.09
Molybdenum (per pound)	$ 28.42	$ 29.91	$ 24.38
Zinc (per pound - LME)	$ 0.85	$ 1.47	$ 1.49
Silver (per ounce - COMEX)	$ 14.97	$ 13.39	$ 11.54

Sales volume (in thousands)	2008	2007	2006
Copper (pounds)	1´114,521	1´330,557	1´386,199
Molybdenum (pounds) (1)	36,396	35,945	25,643
Zinc (pounds)	221,161	251,766	281,079
Silver (ounces)	15,000	18,311	19,776

(1) The Company's molybdenum production is sold in the form of concentrates. Volume represents pounds of molybdenum contained in concentrates.

Cathode produced in
Ilo refinery, Perú

$ 34.6

MILLION
SCC INVESTED IN 2008

ENVIRONMENTAL AFFAIRS

The Company's environmental programs include, among other features, water recovery systems to conserve water and minimize impact on nearby streams, reforestation programs to stabilize the surfaces of the tailings dams and the implementation of scrubbing technology in the mines to reduce dust emissions.

ENVIRON

Copper is essential for numerous functions in the world around us, as well as for our basic health needs, as it is one of the vital elements necessary for our daily diet, which helps us to keep our body and our mind healthy.

IMENTAL

ENVIRONMENTAL AFFAIRS

The Company has instituted extensive environmental conservation programs at its mining facilities in Mexico and Peru.

The Company has instituted extensive environmental conservation programs at its mining facilities in Mexico and Peru. The Company's environmental programs include, among other features, water recovery systems to conserve water and minimize impact on nearby streams, reforestation programs to stabilize the surfaces of the tailings dams and the implementation of scrubbing technology in the mines to reduce dust emissions.

MEXICAN OPERATIONS

The Company's operations are subject to applicable Mexican federal, state and municipal environmental laws, to Mexican official standards, and to regulations for the protection of the environment, including regulations relating to water supply, water quality, air quality, noise levels and hazardous and solid waste. Some of these laws and regulations are relevant to legal proceedings pertaining to the Company's San Luis Potosi copper facilities.

The principal legislation applicable to the Company's Mexican operations is the Federal General Law of Ecological Balance and Environmental Protection, which is enforced by the Federal Bureau of Environmental Protection ("PROFEPA"). PROFEPA monitors compliance with environmental legislation and enforces Mexican environmental laws, regulations and official standards. PROFEPA may initiate administrative proceedings against companies that violate environmental laws, which in the most extreme cases may result in the temporary or permanent closing

Production of trees for donations, Nursery, San Luis Potosi, Mexico

Safety Brigadiers, Mexico

of non-complying facilities, the revocation of operating licenses and/or other sanctions or fines. Also, according to the Federal Criminal Code, PROFEPA must inform corresponding authorities regarding environmental non-compliance.

Mexican environmental regulations have become increasingly stringent over the last decade, and this trend is likely to continue and has been influenced by the environmental treaty entered into by Mexico, United States and Canada in connection with NAFTA in 1999. However, the Company's management does not believe that continued compliance with the federal environmental law or Mexican state environmental laws will have a material adverse effect on the Company's business, properties, results of operations, financial condition or prospects or will result in material capital expenditures. Although the Company believes that all of its facilities are in material compliance with applicable environmental, mining and other laws and regulations, the Company cannot assure that future laws and regulations would not have a material adverse effect on the Company's business, properties, results of operations, financial condition or prospects. Due to the proximity of certain facilities of Minera Mexico to urban centers, the authorities may implement certain measures that may impact or restrain the operation of such facilities.

For the Company's Mexican operations, environmental capital expenditures were $34.1 million, $25.8 million and $5.3 million in 2008, 2007 and 2006, respectively.

The Mexican Geological Services ("MGS") Royalties: In August 2002, MGS [formerly named Council of Mineral Resources ("COREMI")] filed with the Third Federal District Judge in Civil Matters an action demanding from Mexcobre (La Caridad) the payment of royalties since 1997. In December 2005, Mexcobre signed an agreement with MGS. Under the terms of this agreement the parties established a new procedure to calculate the royalty payments applicable for 2005 and the following years, and the Company paid in January 2006, $6.9 million of royalties for 2005 and $8.5 million as payment on account of royalties from the third quarter 1997 through the last quarter of 2004. On January 22, 2007 the Third Federal

Miners residential area in Esqueda, Sonora, Mexico

Views at Ite Bay, Peru

District Judge issued a ruling regarding the payment related to the period from the third quarter of 1997 through the fourth quarter of 2004. This ruling was appealed by both parties in February 2007. The appeal was lost by the Company in October 2007. The Company filed a protective action (Amparo) before the Ninth collegiate Civil Tribunal which rendered a negative ruling on August 27, 2008. The Company is defending its economic interest in the judicial process to determine the final amount to be paid to MGS. On an ongoing basis the Company is required to pay a 1% royalty on La Caridad's copper production value after deduction of treatment and refining charges and certain other carrying costs.

San Luis Potosi Facilities: The municipality of San Luis Potosi has granted Desarrolladora Intersaba, S.A. de C.V. ("Intersaba") licenses for use of land and construction of housing and/or commercial zones in the former Ejido Capulines zone, where some residential projects like "Villa Magna" and other new residential projects are being developed within an area designated as a buffer zone due to IMMSA's use of anhydrous ammonia gas. This designation as a buffer zone was granted by the risk area of SEMARNAT (the federal environmental authority) within its approval of the IMMSA's Risk Analysis.

Regarding this situation, a number of actions occurred, including the following:

1) Against the municipality of San Luis Potosi, requesting the annulment of Desarrolladora Intersaba's authorizations and licenses granted within the zinc plant's buffer zone.

   In August 2006, the action regarding the annulment of Villa Magna licenses was decided by a federal appeals court, which denied IMMSA's request. In September 2006, IMMSA submitted its final appeal to the Supreme Court of Justice and in February 2007, the court ruled against IMMSA.

   IMMSA believes that even though the outcome was adverse to its interest, the construction of the "Villa Magna" housing and commercial development will not affect the operations of IMMSA's zinc plant by itself.

Reforestation workshop for elementary schools at the nursery in San Luis

Production of trees for donations at the nursery, San Luis Potosi, Mexico

In November 2008, a local court ruled that IMMSA had to pay $0.9 million related to this matter. IMMSA appealed such ruling.

2) In addition to the foregoing, IMMSA has initiated a series of legal and administrative procedures against the Municipality of San Luis Potosi due to its refusal to issue IMMSA's use of land permit (licencia de uso de suelo) in respect to its zinc plant. A federal judge ruled that IMMSA's use of land permit should be granted. The municipal authorities confirmed on February, 2009 that the applicable local regulation allows IMMSA to use the land for industrial purposes.

3) Additionally, Ejido Capulines, an agricultural community, filed a protective action against IMMSA's Risk Analysis approved by SEMARNAT. As previously noted, this approval determines a buffer zone around the San Luis facilities.

   On November 4, 2008, a Federal Judge considered that the Ejido Capulines did not demonstrate any harm caused by IMMSA´s Risk Analysis Authorization. On December, 2008 the Ejido Capulines appealed the decision on the Federal Court Jurisdiction.

4) Also, new lawsuits were filed by IMMSA against the Municipality of San Luis Potosi challenging other licenses granted in the safeguard area.

5) IMMSA filed on October 7, 2008 a lawsuit against SEMARNAT before the Federal Tax and Administrative Justice Court seeking the nullity of a July 24, 2008 denial of the Company's request for a safeguard declaration.

   The Ejidal Commissariat of the "Ejido Pilares de Nacozari", initiated a protective action (Amparo) against the second expropriation decree (by means of which 2,322 hectares were expropriated for public use), ignoring the judicial settlement reached with the Company on this matter. The judicial settlement had been ratified in January 2006. The Company will defend the settlement reached with the Ejido and seek the dismissal of the case.

Mrs. Martinez, the wife of a miner, who died in the Pasta de Conchos accident, initiated a protective action against the negative ruling issued by the Ministry of Economy denying her request to launch a procedure to cancel

Firefighter in metallurgical plant

Firefither brigadiers for safety at work, Mexico

Industrial Minera Mexico's coal concessions, which she argued the accident should trigger.

The First District Administrative Judge flatly dismissed the case, but this ruling was later revised by an appeals court. Mrs. Martinez filed a new protective action against a new ruling issued by the Ministry of Economy. The Company is certain that an accident cannot trigger a procedure of cancellation of the coal concessions. Although the Company cannot predict the outcome of the procedures filed by Mrs. Martinez, the Company asserts that the claims of Mrs. Martinez are without merit and is vigorously defending against the actions.

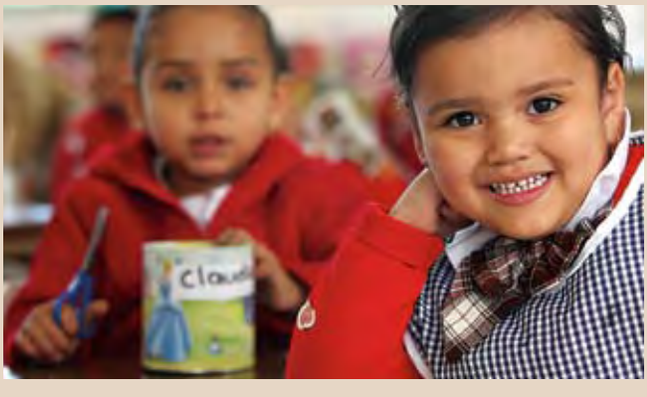
PERUVIAN OPERATIONS

The Company's operations are subject to applicable Peruvian environmental laws and regulations. The Peruvian government, through its Ministry of Energy and Mines ("MINEM") conducts annual audits of the Company's Peruvian mining and metallurgical operations. Through these environmental audits, matters related to environmental commitments, compliance with legal requirements, atmospheric emissions, and effluent monitoring are reviewed. The Company believes that it is in material compliance with applicable Peruvian environmental laws and regulations.

In 2003, the Peruvian Congress published a new law announcing future closure and remediation obligations for the mining industry. In August 2006, in accordance with this law and its amendments, the Company prepared and submitted to MINEM a closure plan. In March 2008, the Company submitted to the MINEM feasibility Closure Plan. The MINEM has subjected the Closure Plan to public consultation from late September until late November 2008. Also in November 2008, the Company submitted to MINEM a closure plan of the Marine Trestle in the Ilo Smelter area to ship sulfuric acid, as part of a legislative requirement to submit one year after the approval of the Environmental Impact Studies. The Marine Trestle is under construction.

In addition, the Company has initiated the Environmental Impact Studies (EIA) for the

Elementary school student in Esqueda, Sonora, Mexico



Plant feed pound at SX/EW plant in Toquepala, Peru

expansion of its concentrators in Toquepala and Cuajone mines, and for its Tia Maria project, located in the Arequipa region, which will have mining and leaching operations.

For the Company's Peruvian operations, environmental capital expenditures were $0.5 million, $21.6 million and $161.0 million in 2008, 2007 and 2006, respectively.

Acid plant in Ilo smelter, Peru

Flotation cells in Cuajone concentrator, Peru

11.5
THOUSAND JOBS

GENERAL INFORMATION

The Company was organized on December 12, 1952, according to the Laws of the State of Delaware of the United States of America, under the original denomination of Southern Peru Copper Corporation ("SPCC"), which was renamed on October 11, 2005, to Southern Copper Corporation (SCC).

Copper is a natural bactericide, which stops the multiplying of bacteria in water distribution systems (plumbing and air conditioning). Similarly, copper doorknobs, railings and plates in public buildings can help to minimize the risk of transferring bacteria.

MATION

GENERAL INFORMATION

Information related to its constitution and its inscription in the Public Registry:

See: "Brief historical review from the constitution of the Company" on page 58.

Brief Description:

Southern Copper Corporation is one of the largest integrated copper producers in the world. We produce copper, molybdenum, zinc, lead, coal and silver. All of our mining, smelting and refining facilities are located in Peru and in Mexico and we conduct exploration activities in those countries and Chile. Our operations make us one of the largest mining companies in Peru and also in Mexico. We are one of the largest copper mining companies in the world with significant copper reserves. We were incorporated in Delaware in 1952 and have conducted copper mining operations since 1960. Since 1996, our common stock has been listed on both the New York and the Lima Stock Exchanges.

Our Peruvian copper operations involve mining, milling and flotation of copper ore to produce copper concentrates and molybdenum concentrates, the smelting of copper concentrates to produce anode copper, and the refining of anode copper to produce copper cathodes. As part of this production process, we also produce significant amounts of molybdenum concentrate and refined silver. We also produce refined copper using SX/EW technology. We operate the Toquepala and Cuajone mines high in the Andes mountains, approximately 984 kilometers southeast of the city of Lima, Peru. We also operate a smelter and refinery west of the Toquepala and Cuajone mines in the coastal city of Ilo, Peru.

Our Mexican operations are conducted through our subsidiary, Minera Mexico S.A. de C.V. ("Minera Mexico"), which we acquired on April 1, 2005. Minera Mexico engages principally in the mining and processing of copper, molybdenum, zinc, silver, gold and lead. Minera Mexico operates through subsidiaries that are grouped into three separate units. Mexicana de Cobre S.A. de C.V. (together with its subsidiaries, the "Mexcobre Unit") operates La Caridad, an open-pit copper mine, a copper ore concentrator, a SX/EW plant, a smelter, refinery and a rod plant. Mexicana de Cananea S.A. de C.V. (together with its subsidiaries, the "Cananea Unit") operates Cananea, an open-pit copper mine, which is located at the site of one of the world's largest copper ore deposits, a copper concentrator and two SX/EW plants. Industrial Minera Mexico, S.A. de C.V. and Minerales Metalicos del Norte, S.A. (together with its subsidiaries, the "IMMSA Unit") operate five underground mines that produce zinc, lead, copper, silver and gold, a coal mine and several industrial processing facilities for zinc and copper.

We utilize many up-to-date mining and processing methods, including global positioning systems and computerized mining operations. Our operations have a high level of vertical integration that allows us to manage the entire production process, from the mining of the ore to the production of refined copper and other products and most related transport and logistics functions, using our own facilities, employees and equipment.

Economic Group

SCC, indirectly, makes part of "Grupo Mexico S.A.B. de C.V." who owns 100% of Americas Mining Corporation ("AMC") shareholding.

	Name of the company	Location	Inscription in the RPMV	%
SEVERAL ACTIVITIES				
1	Grupo Mexico, S.A.B. de C. V.	Mexico		
2	Grupo Mexico Servicios, S.A. de C.V.	Mexico		100.00
	RAILROAD ACTIVITIES			
3	Mexico Proyectos y Desarrollo, S.A. de C.V.	Mexico		100.00
	MINING ACTIVITIES			
4	Americas Mining Corporation ("AMC")	EE.UU.		99.99
5	**Southern Copper Corporation (SCC)**	EE.UU.	√	79.00
6	Americas Sales Company, Inc.	EE.UU.		100.00
7	Minera Mexico, S. A. de C. V.	Mexico		99.95
8	Industrial Minera Mexico, S.A. de C. V.	Mexico		99.99
9	Mexicana de Cananea, S.A. de C. V.	Mexico		99.99
10	Mexicana de Cobre, S.A. de C. V.	Mexico		99.98
11	Southern Peru Limited	EE.UU.		100.00
12	Southern Peru Copper Corporation, Agencia en Chile	Chile		100.00
13	Southern Peru Copper Corporation, Sucursal del Peru	Peru	√	99.29[1]
14	Compañia Minera Los Tolmos, S.A.	Peru		97.30

NOTA:
[1]Includes 82.69% of patrimony and 16.60% of common shares.

Corporate Capital and Common Stock	shares
The authorized number of shares	2,000'000,000
Issues an Paid Capital: Common Shares	884'596,086
Nominal Value of Common Shares	$ 0.01

Total number and percent of shares	Shares	Interest
Americas Mining Corporation	675'100,000	79.00%
Common Shares	179'800,000	21.00%
Total	854'900,000	100.00%

AUTHORIZATIONS OBTAINED FOR THE DEVELOPMENT OF THE BUSINESS

MEXICAN OPERATIONS

La Caridad Mine

"La Caridad Concentrator" started operating in 1979, with a milling capacity of 90,000 tons per day.

"Molybdenum Plant" started operating in 1982, with a production capacity of 2000 tons of copper-molybdenum concentrate per day.

"La Caridad SX/EW Plant" started operating in May, 1995 to December 31, 2008, with a capacity of 60 tons per day.

La Caridad Metallurgic Complex

La Caridad Smelter started operating in July, 1986, with a production capacity of 493 tons of anode per day and was expanded to 932 tons in March,1997.

"La Caridad Refinery" started operating in July, 1997, with a production capacity of 493 tons of copper cathode per day and was expanded to 822 tons in January, 1998.

"La Caridad Precious Metals Plant" started operating in May, 1999, with a production capacity of 43,836 ounces of silver per day, 247 ounces of gold per day and 342 kilograms of selenium per day.

"La Caridad Wire Rod Plant" started operating in April, 1998, with a production capacity of 300 tons of wire rod per day and was expanded to 411 tons in March,1999.

Cananea Mine

"Cananea Concentrator" started operating in September, 1986, with a capacity of 62,500 tons per day, the capacity was expanded to 70,000 tons in 1988 and to 76,700 tons in 1998.

"Cananea SX/EW I Plant" started operating in 1980, with a capacity of 30 tons per day.

"Cananea SX/EW II Plant" started operating in 1989, with a capacity of 60 tons per day and was expanded to 120 tons in 2001.

Underground Mines

1.- The Santa Barbara Unit a has milling capacity of 6,000 tons of ore per day.
2.- The Santa Eulalia Unit has a milling capacity of 1,500 tons of ore per day.
3.- The San Martin Unit has a milling capacity of 4,400 tons of ore per day.
4.- The Charcas Unit has a milling capacity of 4,000 tons of ore per day.

5.- The Taxco Unit has a milling capacity of 2,000 tons per day.
6.- The Coquizadora Coal Plant, in Coahuila Unit, has a capacity of 100,000 tons of coke per year.
7.- The Zinc Refinery has capacity to produce 285 tons of refined zinc per day.
8.- The San Luis Potosi Copper Smelter has a production capacity of 66 tons of blister copper per day.

PERUVIAN OPERATIONS

Toquepala

1. "Toquepala Concentrator". Authorized by Directorial Resolution No. 455-91-EM/DGM/DCM dated July 5, 1991 approved the operation of the Toquepala Concentrator. The resolution granted 240 hectares of surface land and authorized a throughput of 39,000 Metric Tons/Day.

   Based on Report No. 413-97-EM/DGM/DPDM dated July 7, 1997 the "Director General de Mineria" authorized the expansion of the Toquepala Concentrator to a 43,000 Metric Tons/Day throughput.

2. "Toquepala Leaching Plant (SX/EW)". Authorized by Directorial Resolution No. 166-96-EM/DGM dated May 7, 1996, approved the operation of the Toquepala SX/EW Plant. The resolution granted 60 hectares of surface land and authorized a throughput of 11,850 Tons/Day.

   Based on Report No. 663-98-EM/DGM/DPDM dated November 10, 1998 the "Director General de Mineria" authorized the expansion of the Toquepala SX/EW Plant to 18,737 Metric Tons/Day throughput. Directoral Resolution dated May 19, 2003, based on Report No. 291-2003-EM-DGM/DPDM, authorized the operation of the SX/EW Plant to a throughput of 18,737 Metric Tons/Day.

Cuajone

1. "Botiflaca Concentrator in Cuajone".
   Authorized by Directorial Resolution No. 150-81-EM/DCM dated August 14, 1981 approved the operation of the Cuajone Concentrator. The resolution granted 56 hectares of surface land.

   Based on Report No. 266-99-EM/DGM/DPDM dated July 20, 1999 the "Director General de Mineria" authorized the expansion of the Cuajone Concentrator to 87,000 Metric Tons/Day throughput.

2. "Cuajone Leaching Plant (LX/EW)". Authorized by Directorial Resolution No. 155-96-EM/DGM dated May 6, 1996 approved the operation of the Cuajone Leaching Plant. The resolution granted 400 hectares of surface land and authorized a throughput of 2,100 Tons/Day. By recourse No. 1733227, dated November 7, 2007, registered in the DGM of the Mining Ministry, the expansion of the Toquepala SX/EW Plant was requested, from 2100 to 3100 Metric Tons/Day.

Ilo

1. "Ilo Smelter". Authorized (definitely) by Directorial Resolution No. 0078-69-EM/DGM dated August 21, 1969 approved the operation of the Ilo Smelter. The resolution authorized a production of 400 Short Tons/Day of blister copper.

   Based on Report No. 204-2000-EM-DGM-DPDM dated June 20, 2000 the "Director General de Mineria" authorized the expansion of the Ilo Smelter to a 3,100 Metric Tons/Day throughput of copper concentrates.

2. "Ilo Refinery": Authorized by Report No. 056-94-EM/DGM/DRDM dated May 27, 1994 the "Director General de Mineria" authorized the operation of the Ilo Copper Refinery at 533 Metric Tons/Day throughput of blister copper.

   Based on Report No. 506-98-EM/DGM/DPDM dated September 2, 1998 the "Director General de Mineria" authorized the expansion of the Ilo Copper Refinery to a capacity of 658 Metric Tons/Day throughput of blister copper.

   Based on Report N° 080-2002-EM-DGM/DPDM, dated March 13, 2002, the "Director General de Mineria" authorized the expansion of the Ilo Copper Refinery to a capacity of 800 Metric Tons/Day.

3. "Sulfuric Acid Plant". Authorized by Directorial Resolution No. 024-96-EM/DGM dated January 19, 1996, approved the operation of the Sulfuric Acid Plant, installed at the Smelter, at a production rate of 472 Metric Tons/Day.

   Based on Report No. 313-98-EM/DGM/DPDM dated May 18, 1998 the "Director General de Mineria" authorized the expansion of the Ilo Sulfuric Acid Plant to a capacity of 300,000 Metric Tons/Year production.

4. "Coquina Wash Plant and Sea shell Concentrates". authorized to operate by Directorial Resolution No. 110-93-EM/DGM of August 3, 1993. The plant processes 2068 Metric Tons/Day of raw material (coquina) recovered from nearby mines. Seashell is produced separating sand and other materials from the coquina using sea water washing screens.

DESCRIPTION OF OPERATIONS AND DEVELOPMENT REGARDING THE ISSUING ENTITY

PURPOSE

The purpose of Southern Copper Corporation (SCC) is to engage in activities allowed by the laws of the State of Delaware. Its main activity is to extract, mill, concentrate, smelt, treat, prepare for market, manufacture, sell, exchange and, in general, to produce and negotiate for sales of copper, molybdenum, gold, silver, lead, zinc, iron and any other class of minerals and materials or other materials, effects and goods of any nature or description; as well as to explore, exploit, sample, examine, investigate, recognize, locate, appraise, buy, sell, exchange, etc., mining concessions and mining deposits. SCC belongs to the CIIU 1320 group.

The term of duration of the Company is indefinite.

BRIEF HISTORICAL REVIEW FROM THE CONSTITUTION OF THE COMPANY:

The Company was organized on December 12, 1952, according to the Laws of the State of Delaware of the United States of America, under the original denomination of Southern Peru Copper Corporation ("SPCC"), which was renamed on October 11, 2005, to Southern Copper Corporation (SCC).

In 1954, SCC established a Branch in Peru to carry out mining activities in this country. The Branch was established under public instrument certified by Public Notary from Lima, Dr. Ricardo Fernandini Arana, on November 6, 1954.

The Branch is registered in the Electronic Record No. 03025091 of the Juridical People of the Registry Office of Lima and Callao.

Actions following company incorporation:

Capital increase:

By Public Deed dated May 31, 1995, signed before notary public of Lima, Dr. Carlos A. Sotomayor Bernos, the Branch capital increase was formalized. It was made through money contribution by the Company

in favor of its Peru Branch and by the owners of labor shares, pursuant to Legislative Decree No. 677. The capital contribution made by the Company was aimed at increasing the capital allotted to the Branch by the headquarters and registered in Peru. The capital contribution made by the Labor Shares (today Investment Shares) owners was assigned to the Labor Shares account of the Branch for issuing new Labor Shares.

Part of the money contribution made by the Company in favor of its Branch and by the Labor Shares owners was applied as a capital premium to the Resident account as Additional Capital.

Exchange of Labor Shares for Common Shares:

Dated September 7, 1995, "Southern Peru Copper Holding Company" was also incorporated pursuant to the Laws of the State of Delaware, aiming at acting as a holding company that owns all Southern Peru Copper Corporation shares, and at performing an exchange of the shares that were then called "Labor Shares" (today Investment Shares) issued by the branch in Peru, delivering the owners of labor shares a certain number of common shares issued by SPCC in the United States. As a consequence of this share exchange, ex-owners of Labor Shares acquired 17.31% of SPCC's Capital, and this company acquired ownership of 80.77% of Labor Shares (today Investment Shares).

On December 31, 1995, Southern Peru Copper Corporation changed its corporate name to "Southern Peru Limited", and "Southern Peru Copper Holding Company" changed its corporate name to Southern Peru Copper Corporation.

As a consequence of this corporate name change, the mining activities of the Company in Peru started being performed under the name of Southern Peru Limited, Peru Branch (SPL).

On December 31, 1998, the merger between Southern Peru Copper Corporation and Southern Peru Limited was agreed. The first company absorbed the second one and assumed all its assets and liabilities, including the Branch in Peru. This merger did not imply any change to the share percentage in the corporate capital or in the Net Worth Share Account (investment shares), which were kept the unchanged.

As a consequence of the merger, the mining activities of the corporation in Peru were again carried out under the name of Southern Peru Copper Corporation, Peru Branch, or the abbreviated name of "Southern Peru" and/or the acronym SPCC.

Change of Economic Group:

In November 1999, Grupo Mexico S.A.B. de C. V., a firm incorporated pursuant to the Laws of the Republic of Mexico, acquired in the United Stated 100% of ASARCO Incorporated, the main shareholder of Southern Peru Copper Corporation at that time. In this way, SPCC became a subsidiary of Grupo Mexico, who keeps its shareholding through Americas Mining Company (AMC).

Acquisition of Minera Mexico, S.A. de C.V. ("MM") and other corporate changes:

SCC shareholders, in a shareholder extraordinary meeting dated March 28, 2005, approved issuance of Common Shares and required actions related to the acquisition of MM, a firm incorporated pursuant to the Laws of the Republic of Mexico. This transaction was approved for more than 90% of the stocks and circulating capital of SCC. To acquire MM, SCC issued 67,207,640 shares in exchange for MM shares. Once the shares related to

the acquisition were issued, Americas Mining Corporation increased its share in SCC from 54.2% to approximately 75.1%.

SCC $500 Million Share Repurchase Program:

In 2008, the Company's Board of Directors authorized a $500 million share repurchase program. During 2008 the Company purchased 28.5 million shares of its common stock at a cost of $384.7 million. These shares will be available for general corporate purposes. The Company may purchase additional shares from time to time, based on market conditions and other factors. This repurchase program has no expiration date and may be modified or discontinued at any time.

Americas Mining Corporation Increased its Participation in SC:

In 2008 Grupo Mexico, through its wholly owned subsidiary AMC, purchased approximately 11.8 million shares of the Company's common shares. As a result of these transactions Grupo Mexico's ownership of SCC's outstanding capital stock increased from 75.1% to 79.0%[1] at December 31th, 2008.

Change in the Certificate of Incorporation:

On March 28, 2005, following Board of Directors recommendations, SCC shareholders approved in an extraordinary meeting the amendments to the Articles of Incorporation Deed, changing the composition and obligations of some Board committees.

Special Independent Director:

The changes to the Articles of Incorporation Deed require the Board to include a certain number of special independent directors. A special independent director is a person who (i) complies with the independence standards of the New York Stock Exchange (or any other stock exchange or association in which Common Shares are listed) and (ii) is appointed by the Special Appointment Committee of the Board. A special independent director may only be removed from the Board upon a justified cause.

The number of special independent directors in that Directory at any time shall equal (a) the total number of directors in the Board multiplied by (b) the percentage of Common Shares all the shareholders (that are not Grupo Mexico and

Cerro Baul in Cuajone, Moquegua, Peru

Aerial view of Toquepala mine, Peru

[1]By February 23rd, 2009, Americas Mining Corporation participation in SCC has increased to 79.5%

its affiliates) have, rounding up to the following integer whole number. Notwithstanding the abovementioned, the total number of people appointed as special independent directors (not belonging to Grupo Mexico) cannot be less than two or more than six.

Special Nominating Committee:
The Special Nominating Committee functions as a special committee to nominate special independent directors to the Board. Pursuant to our Amended and Restated Certificate of Incorporation, as amended, a special independent director is any director who (i) satisfies the independence requirements of the New York Stock Exchange or NYSE (or any other exchange or association on which the Common Stock is listed) and (ii) is nominated by the Special Nominating Committee. The Special Nominating Committee has the right to nominate a number of special independent directors based on the percentage of our Common Stock owned by all holders of our Common Stock, other than Grupo Mexico and its affiliates.

The Special Nominating Committee consists of three directors, two (2) of whom are Luis Miguel Palomino and Carlos Ruiz Sacristan (each an "Initial Member" and, together with their successors, "Special Designees") and such other director, currently Xavier Garcia de Quevedo Topete, as may be appointed by the Board of Directors or the "Board Designee". The Board Designee will be selected annually by the Board of Directors. The Special Designees will be selected annually by the members of the Board who are special independent directors or Initial Members. Only special independent directors can fill vacancies on the Special Nominating Committee. Any member of the Special Nominating Committee may be removed at any time by the Board of Directors for cause. The unanimous vote of all members of the nominating committee will be necessary for the adoption of any resolution or the taking of any action.

Our Amended and Restated Certificate of Incorporation, as amended, provides that the number of special independent directors on the Board of Directors at any given time shall be equal to (a) the total number of directors on the Board of Directors multiplied by (b) the percentage of Common Stock owned by all of the stockholders (other than Grupo Mexico

Flotation cells in Toquepala concentrator, Peru

and its affiliates), rounded up to the next whole number. Notwithstanding the foregoing, the total number of persons nominated as special independent directors cannot be less than two or greater than six.

Notwithstanding the foregoing, the power of the Special Nominating Committee to nominate special independent directors is subject to the rights of the stockholders to make nominations in accordance with our by-laws.

The provisions of the Amended and Restated Certificate of Incorporation, as amended, relating to special independent directors may only be amended by the affirmative vote of a majority of the holders of shares of Common Stock (calculated without giving effect to any super majority voting rights) other than Grupo Mexico and its affiliates.

Transactions with affiliates:

Amendments to the Deed also prohibit the Company to commit in important transactions with the affiliates, except if the transaction has been revised by a committee of at least three Board members, each one of which will comply with the New York Stock Exchange (or any other stock exchange or association in which Common Shares are listed) independence regulations. An important transaction of the affiliate is defined as an important transaction, commercial negotiation or financial share in any transaction, any series of transactions between Grupo Mexico or one of its affiliates (different from the Company or any of the subsidiaries), on the one hand, and to the Company or one of the subsidiaries, on the other hand, comprising a total consideration of more than $10'000,000.00.

The Company submitted the Amendment of its Articles of Incorporation Deed to the Secretary of State in the State of Delaware, and it came into effect as from March 31, 2005 at 11:59 P.M.

Change of corporate name and other corporate changes:

On September 20, 2005, by written consent instead of an extraordinary shareholder meeting, the majority shareholder approved the corporate name change of Southern Peru Copper Corporation to Southern Copper Corporation or SCC. The change was adopted because the new corporate name reflects more precisely the Company's operations reach outside the Republic of Peru after its acquisition of Minera Mexico and the latter's presence in the Republic of Chile through the acquisition of some mining exploration concessions.

Additionally, on the same date, the majority shareholder approved an amendment of our Articles of Incorporation Deed to remove others' provisions in our Deed related with our Class A Common Shares that were formerly in circulation, which were converted to Common Shares on May 19, 2005, and to change the number of Corporate directors from fifteen to a number that will be regularly established following agreement of most of Board members stipulating the number of directors will not be less than six or more than fifteen.

The Deed amendment was submitted to the Secretary of State of the State of Delaware, and came into effect on October 11, 2005.

Peru Branch Name:

Generally, the change of headquarters corporate name should comprise the corresponding name of the ancillary organizations linked to it, as is the case of the Peru Branch through which the Corporation develops its mining activities in Peru.

After consulting with Peruvian lawyers, the Board of Directors, taking into consideration the net worth and assets importance of the Branch, the need to continue acknowledging the position of the Peruvian Branch with its

local and international copper clients, the need to preserve its proceeds and its position in good name in the copper market, and the need to prevent any possible client loss, as well as to guarantee the revenue flow from sales, its financial and economic revenues and its solvency, the Board of Directors agreed to maintain the original corporate name to the Peru Branch, that is, Southern Peru Copper Corporation, Peru Branch, or the abbreviated name "Southern Peru" and/or the acronym SPCC.

Changes in the Certificate of Articles of Incorporation and Bylaws:

Dated January 26, 2006, the Board approved amendment to Southern Copper Corporation's bylaws (i) aiming at removing the provisions related to Class A Common Shares among other changes.(ii) adding a new provision for advance notice to shareholders seeking to nominate directors or to propose other business at annual or special meetings of the Common Stockholders (as applicable) (iii) substitute Grupo Mexico for ASARCO Incorporated in the "Change in Control" definition in the Corporation's by-laws (iv) and eliminate the 80% supermajority vote requirement for certain corporate actions. The modification of the Modified Certificate of Incorporation increased the capital stock from 167'207,640 shares to 320'000,000 shares. These modifications were submitted for approval of the shareholders at the shareholders annual meeting held on April 27, 2006 which was adjourned and reconvened for May 4, 2006, and later on adjourned and reconvened for May 11, 2006.

At the annual meeting, on April 27, 2006, the proposal to amend the by-laws to eliminate certain extraneous provisions relating to the retired series of Class A Common Stock had an affirmative vote of 79.85% of the required votes. Because the required vote for the approval of this proposal was 80% and because there were still votes that needed to be tabulated, the annual meeting for this proposal was adjourned until May 4, 2006. On May 4, 2006, at the adjourned and reconvened meeting the stockholders approved the proposal with an affirmative vote of 80.61% of the required votes.

On April 27, 2006, stockholders approved (i) the amendment to the by-laws to introduce a new provision for advance notice to shareholders seeking to nominate directors or to propose other business at annual or special meetings of the Common Stockholders (as applicable); (ii) the amendment to the by-laws to substitute Grupo Mexico for ASARCO Incorporated in the "Change in Control" definition in the Corporation's by-laws; (iii) the amendments to the Amended and Restated Certificate of Incorporation to increase the number of shares of Common Stock, which the Corporation is authorized to issue from 167'207,640 shares to 320'000,000 shares; and (iv) the selection of the independent accountants.

On April 27, 2006, the proposal to amend the by-laws to eliminate the 80% supermajority vote requirement for certain corporate actions had received preliminary votes, representing an affirmative vote of 78.35% of the required votes. Because the required vote for the approval of this proposal was 80% and because there were still votes that needed to be tabulated, the annual meeting for this proposal was adjourned first until May 4, 2006, and subsequently until May 11, 2006. On May 11, 2006, at the adjourned and reconvened meeting stockholders did not approve the proposal having received an affirmative vote of 79.61% of the required votes.

SCC is indirectly, part of Grupo Mexico S.A.B. de C.V. which owns 100% of Americas Mining Corporation (AMC) shareholding, owner of 79.0% of SCC shares.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Information about plans and investment policies:
See Expansion and Modernization Program on page No. 14.

Relationship between the Issuer and the Government:
On November 20, 1996, SCC and the Peruvian Government (Ministry of Energy and Mines) signed a contract that will remain effective until the year 2010 and guarantees the tax stability and the availability of exchange to foreign currency of the Branch's earnings related to the operation of the SX/EW plant at Toquepala and the Solvent Extraction (SX) operation in Cuajone. Also, on April 18th, 1995, SCC and the Peruvian Government (CONITE) signed a contract that will remain effective during ten years and guarantees the availability of foreign currencies, free remittance of dividends to the exterior, among other guarantees related to the acid plant of the Ilo Smelter.

SCC obtains revenues for tax credits in Peru for the general sales tax (IGV) paid in connection with the acquisition of capital goods and other goods and services used in its operations, counting these credits as a paid expense in advance. By virtue of this refund, SCC is entitled to credit the amount of the IGV against its Peruvian tax obligations or to receive a refund

MINING SAFETY:

MEXICAN OPERATIONS

A key element of our business philosophy is "Safety is a first and an essential part of our operations". We are committed to the welfare of our employees and it is the basis for the implementation of the Safety and Health Administration System at Work, known by its Spanish acronym SIASST. SIASST focuses on safe workplaces and the performance of work in a safe manner.

With the implementation of the SIASST before the end of 2008, all our Minera Mexico mines, plants and refineries signed agreements to voluntarily opt to join the Labor and Social Insurance Secretariat's (STPS), Self Safety and Health Program at Work. This program promotes the establishment of administration systems, based on national and international standards, to encourage the operation of work centers with safety and hygiene.

Through this program, the STPS gives awards at three different levels, and our Company's Minera Mexico operations were entitled to the third recognition, "Safe Company", as its work accident rates were below the national average and, in addition, had the following achievements:

Truck drivers
in Toquepala mine, Peru

1) Compliance with regulations on safety and health.
2) Actions of continuous improvement in safety and health.
3) Accomplishments in the administration of safety and health at work.

Also, once the implementation phase of the SIASST is concluded, which considers implementing an administration system of safety and health, the Company will move in a continuous improvement process and obtain the OSHA 18001 certification.

Part of the results of the implementation of the SIASST has been the reduction of accidents at Minera Mexico's operations in 2008, which decreased by 28.66% in total accidents and 36.89% in disabling accidents, when compared to 2007. In respect to safety indicators in 2008, Minera Mexico achieved a reduction of: 22.13% in the frequency rate, 3.95% in the severity rate, and 25.58% in the loss rate, all compared to 2007. As for fatalities, unfortunately the results were similar to 2007 with three recorded cases.

PERUVIAN OPERATIONS

The Safety and Health results in 2008, for the open pit mining operations in Toquepala and Cuajone mines, metallurgical operations in Ilo Unit, which includes a smelter and refinery plants, are as follows: Frequency Index 1.9, Severity Index 172.9 and Accidentability rate 0.3. These indicators correspond to 18 lost time accidents. In 2008, no fatal accidents were registered. The Ilo Unit received In 2008 the "John T. Ryan" Award from MSA, offered to the best security indicators in mining operations in Peru. The evaluators for this award were: the General Mining Director from Ministry of Energy and Mines ("MINEM"), the President of the Mining Engineers Institute of Peru, The President of the National Mining, Petroleum and Energy Society and the Dean of the Engineers Association of Peru.

GENERIC DESCRIPTION OF MAIN ASSETS

MEXICAN OPERATIONS

Cananea

1. The Cananea production unit has 46 mining concession titles with a total area of 13,282 hectares.

2. The Cananea concentrator plant, with a milling capacity of 76,700 tons per day, consists of 2 primary crushers, 4 secondary crushers, 10 tertiary crushers, 10 primary mills, a distributed control system, 5 mills for regrinding, 103 primary flotation cells, 10 column cells, 70 exhaustion flotation cells, 7 thickeners, 3 ceramic filters.

3. Major Cananea mine equipment includes 44 trucks for ore hauling with individual capacities ranging from 240 to 360 tons.

4. For ore loading there are 8 shovels with individual capacities ranging from 39 to 70 tons.

5. The mine auxiliary equipment including has 7 drillers, 5 front loaders, 5 motor graders and 24 tractors.

6. In the Solvents Extraction and Electrowinning (SX/EW) I and II Plants of Cananea, breaker system No. 1 has a capacity of 32,000 tons per day and a 120" plate feeder, a 54"x79" breaker, a belt feeder, a 7-belt system and a distributor car. System No. 2 has a capacity of 48,000 tons per day and has one 60" x 89" breaker, a 78" belt feeder, 3 conveyor

belt systems and distributing car. The Leaching System consists of 3 irrigation systems (Kino, Quebalix 1 and Quebalix 2) and are the 7 ponds of rich solution in copper PLS. Plant I has 3 solvent extraction tanks with a nominal capacity of 960 m3/hr of PLS, and 52 electrowinning cells. Plant I has a daily production capacity of 30 tons of copper cathodes with 99.999% purity. Plant II has 5 trains of solvent extraction with a nominal capacity of 3,300 m3/hr of PLS and 216 cells distributed in two bays. Plant II has a daily production capacity of 120 tons of copper cathodes with 99.999% purity.

We intend to increase our Cananea unit's production of copper cathodes with a new SX/EW plant, (SXEW III) with an annual capacity of 33,000 tons. The plant would produce copper cathodes of ASTM grade 1 or LME grade A. The project includes the installation of storage for deliverables required for operation of the plant and the installation of an emergency power plant and a fire protection system. Due to the ongoing strike at Cananea, this project has been temporarily put on hold until we satisfactorily resolve the labor issue.

La Caridad

1. La Caridad Production Unit has 51 mining concession titles with a total area of 86,529.26 hectares.

2. La Caridad concentrator plant with a milling capacity of 90,000 tons per day consisting of 2 primary crushers, 6 secondary crushers, 12 tertiary crushers, 12 ball mills, a master primary crushing system, a master fine crushing system, a master milling control system, 100 primary flotation cells, 4 re-milling mills, 96 cleaning flotation cells, 12 thickener and 6 drum filters.

3. There are 27 trucks for ore hauling with individual capacities of 240 tons, 6 shovels with a capacity of 43 cubic yard. As for mine auxiliary equipment there are 6 drillers, 5 front loaders, 3 motor graders and 20 tractors.

4. Approximately 547.5 million tons of leaching ore with an average grade of approximately 0.26% copper have been extracted from the La Caridad open-pit mine and deposited in leaching dumps from May 1995 to December 31, 2008. All copper ore with a grade lower than the mill cut-off grade 0.30%, but higher than 0.15% copper, is delivered to the leaching dumps. In 1995, we completed the construction of a SX/EW facility at La Caridad that has allowed processing of this ore and certain leach ore reserves that were not mined and has resulted in a reduction in our copper production costs. The SX/EW facility has an annual capacity of 21,900 tons of copper cathodes.

5. "La Caridad Solvent Extraction and Electrowinning (SX/EW) Plant" has 9 irrigation systems for the dumps and 2 PLS ponds – pregnant leach solution, a head tank that permits the combination of the solutions of both ponds and feeds the Solvent Extraction plant with a more homogenous concentration. The plant has 3 trains of solvent extraction with a nominal capacity of 2,070 cubic meters per hour, and 94 electrowinning cells distributed in one single electrolytic bay. The plant has a daily production capacity of 62 tons of copper cathodes with 99.999% purity.

6. Lime Plant, located in the Agua Prieta city in the State of Sonora, with a production capacity of 132,000 tons per year.

La Caridad Metallurgic Compound

Copper concentrates from Cananea and La Caridad are transported by rail and truck, respectively, to the La Caridad smelter where they are processed and cast into copper anodes of 99.2% purity. Sulfur dioxide off-gases collected from the flash furnace, Teniente converter and conventional converters are processed into sulfuric acid, at two sulfuric acid plants. Approximately 2% to 3% of this acid is used by our SX/EW plants and the balance is sold to third parties.

Almost all of the anodes produced in the smelter are sent to the La Caridad copper refinery. The actual installed capacity of the smelter is 1'000,000 tons per year, a capacity that is sufficient to treat all the concentrates of the La Caridad and Cananea mining complexes. The smelter includes a flash type concentrates drier, a steam drier, a flash furnace, one El Teniente modified converted furnace, two electric slag-cleaning furnaces, three Pierce-Smith converters, three rafinnate furnaces and two casting wheels. The anode production capacity is 300,000 tons per year.

Refinery

La Caridad includes an electrolytic copper refinery that uses permanent cathode technology. The installed capacity of the refinery is 300,000 tons per year. The refinery consists of an anode plant with a preparation area, an electrolytic plant with an electrolytic cell house with 1,115 cells and 32 liberator cells, two cathode stripping machines, an anode washing machine, a slime treatment plant and a number of ancillary installations. The refinery is producing grade A copper cathode of 99.99% purity. Anodic slimes are recovered from the refining process and sent to the slimes treatment plant where additional copper is extracted. The slimes are then filtered, packed and shipped to the La Caridad precious metals refinery to produce silver and gold.

The operations of the precious metal refinery are divided into two stages: (i) the antimony is eliminated from the slime, and (ii) the slime is dried in a steam dryer. After this the dried slime is smelted and a gold and silver alloy is obtained, which is known as dore. The precious metal refinery plant has a hydrometallurgical stage and a pyrometallurgical stage, besides a steam dryer, dore casting system, Kaldo furnace, 20 electrolytic cells in the silver refinery, one induction furnace for fine silver, one silver ingot casting system, two reactors for obtaining fine gold. The process ends with the refining of the gold and silver alloy.

Rod Plant

A rod plant at the La Caridad complex was completed in 1998 and reached its full annual operating capacity of 150,000 tons in 1999. The plant is producing eight millimeter copper rods with a purity of 99.99%. The rod plant includes a vertical furnace, one retention furnace, one molding machine, one laminating machine, one coiling machine and one coil compacter.

Other facilities include a lime plant with a capacity of 132,000 tons per year; two sulfuric acid plants, one with a capacity of 2,625 tons per day and the second with a capacity of 2,135 tons per day; three oxygen plants, each with a production capacity of 275 tons per day; and two power turbo generators, one of them uses residual heat from the flash furnace, the first with a 11.5 megawatt capacity and the second with a 25 megawatt capacity.

Underground Mines

IMMSA

Our IMMSA unit (underground mining poly-metallic division) operates five underground mining complexes situated in central and northern Mexico and produces zinc, lead,

copper, silver, gold and has a coal mine. These complexes include industrial processing facilities for zinc, lead, copper and silver. All of IMMSA's mining facilities employ exploitation systems and conventional equipment. We believe that all the plants and equipment are in satisfactory operating condition. IMMSA's principal mining facilities include Charcas, Santa Barbara, San Martin, Santa Eulalia and Taxco.

Charcas

The Charcas mining complex is located 111 kilometers north of the city of San Luis Potosi in the State of San Luis Potosi, Mexico. Charcas is connected to the state capital by a paved highway of 130 kilometers. 14 kilometers from the southeast of the Charcas complex is the "Los Charcos" railroad station which connects with the Mexico-Laredo railway. Also, a paved road connects Charcas to the city of Matehuala via a federal highway and begins at the northeast of the Charcas town site. The complex includes three underground mines (San Bartolo, Rey-Reina and La Aurora) and one flotation plant that produces zinc, lead and copper concentrates, with significant amounts of silver. The Charcas mining district was discovered in 1573 and operations in the 20th century began in 1911. The Charcas mine is characterized by low operating costs and good quality ores and is situated near the zinc refinery. The Charcas mine is now Mexico's largest producer of zinc.

The Charcas complex's equipment includes sixteen jumbo drilling tools, twenty-one scoop trams for mucking and loading, seven trucks and three locomotives for internal ore haulage and three hoists. In addition, the mill has one primary crusher, one secondary crusher and two tertiary crushers, four mills and three flotation circuits.

Santa Barbara

The Santa Barbara mining complex is located approximately 26 kilometers southwest of the city of Hidalgo del Parral in southern Chihuahua, Mexico. The area can be reached via paved road from Hidalgo del Parral, a city on a federal highway. Chihuahua, the state capital is located 250 kilometers north of the Santa Barbara complex. Additionally, El Paso on the Texas border is located 600 kilometers north of Santa Barbara. Santa Barbara includes three main underground mines (San Diego, Segovedad and Tecolotes) and a flotation plant and produces lead, copper and zinc concentrates, with significant amounts of silver. Gold-bearing veins were discovered in the Santa Barbara district as early as 1536. Mining activities in the 20th century began in 1913.

The major mine equipment at Santa Barbara includes eighteen jumbo drilling tools, one Simba drilling tools, thirty-six scoop trams, thirteen trucks and eleven locomotives for internal ore haulage, seven trucks for external haulage and six hoists. For treating the ore, there are six primary jaw crushers, one secondary crusher and two tertiary crushers, three mills and three flotation circuits. The concentrator plant has a milling capacity of 6,000 tons of ore per day.

San Martin

The San Martin mining complex is located in the municipality of Sombrerete in the western part of the state of Zacatecas, Mexico, approximately 101 kilometers southeast of the city of Durango and nine kilometers east of the Durango State boundary. Access to the property is via a federal highway between the cities of Durango and Zacatecas. A paved six kilometer road connects the mine and town of San Martin with the highway. The city of Sombrerete is about 16 kilometers east of the property. The complex includes an underground mine and a flotation plant and produces lead, copper and zinc concentrates, with significant amounts of silver. The mining district in which the San

Martin mine is located was discovered in 1555. Mining operations in the 20th century began in 1949. San Martin lies in the Mesa Central between the Sierra Madre Occidental and the Sierra Madre Oriental.

The major mine equipment at San Martin includes eight jumbo drilling tools, thirteen scoop trams, nine trucks and three hoists. For treating the ore, there are two primary jaw crushers, two secondary crushers and one tertiary crusher, two mills and three flotation circuits. The concentrator plant has a mill capacity of 4,400 tons of ore per day.

Santa Eulalia

The mining district of Santa Eulalia is located in the central part of the state of Chihuahua, Mexico, approximately 26 kilometers east of the city of Chihuahua. This district covers approximately 48 square kilometers and is divided into three fields: east field, central field and west field. The west field and the east field, in which the principal mines of the complex are found, are separated by six kilometers. The Buena Tierra mine is located in the west field and the San Antonio mine is located in the east field. The mining district was discovered in 1590, although exploitation did not formally begin until 1870.

Major mine equipment at the Santa Eulalia mine include five Jumbo drilling tools, nine scoop trams for mucking and loading, two trucks and two hoists. For treating the ore, there are two primary crushers, one secondary crusher and one tertiary crusher, two mill crushers, one mill and two flotation circuits. The concentrator plant has a milling capacity of 1,450 tons of ore per day.

Taxco

The Taxco mining complex is located on the outskirts of the city of Taxco in the northern part of Guerrero State, Mexico, approximately 71 kilometers from the city of Cuernavaca, Morelos, where access through the highway to the complex is possible. The complex includes several underground mines (San Antonio, Guerrero and Remedios) and a flotation plant and produces lead and zinc concentrates, with some amounts of gold and silver. The mining district in which the Taxco mines are located was discovered in 1519. Mining activities in the 20th century commenced in 1918. The Taxco district lies in the northern part of the Balsas-

Underground mine worker in Santa Barbara, Chihuahua, Mexico

Analysis in concentrator's Lab in Toquepala, Peru

Mexcala basin adjacent to the Paleozoic Taxco-Zitacuaro Massif.

The major mine equipment at the Taxco complex include four Jumbo drilling tools, ten scoop trams for mucking and loading, five trucks and three locomotives for internal ore haulage and three hoists. For treating the ore, there are two primary crushers, one secondary crusher and two tertiary crushers, three mills and two flotation circuits. The concentrator plant has a milling capacity of 2,000 tons of ore per day.

The Nueva Rosita coal and coke complex

The Nueva Rosita coal and coke complex, which began operations in 1924, is located in the state of Coahuila, Mexico on the outskirts of the city of Nueva Rosita near the Texas border. It includes a) an underground coal mine, which has been closed as a result of a gas explosion in February 2006; b) an open pit mine with a yearly capacity of approximately 350,000 tons of coal; c) a coal washing plant completed in 1998 with a capacity of 900,000 tons per year that produces clean coal of a higher quality; and d) a re-engineered and modernized 21 coke oven facility capable of producing 105,000 tons of coke (metallurgical, nut and fine) per year of which 95,000 tons are metallurgical coke. There is also a by-product plant to clean the coke gas oven in which tar, ammonium sulfate and light crude oil are recovered. There are also boilers to produce 80,000 steam pounds that are used in the by-products plant. The re-engineering and modernization of 21 ovens was completed in April, 2006 and it is presently operating with no problems to report.

At present, the coke oven installation supplies the San Luis Potosi copper smelter with low-cost coke, resulting in significant cost savings to the smelter. The surplus production is sold to Peñoles and other Mexican consumers in northern Mexico. We expect to sell 37,438 tons of metallurgical coke in 2009.

Zinc Refinery

The San Luis Potosi electrolytic zinc refinery was built in 1982. It was designed to produce 105,000 tons of refined zinc per year by treating up to 200,000 tons of zinc concentrate from our own mines, principally Charcas, located only 113 kilometers from the refinery. The refinery produces special high grade zinc (99.995%

Overview La Caridad, Sonora Complex, Mexico

Worker in casting wheel in La Caridad smelter, Mexico

zinc), high grade zinc (over 99.9% zinc) and zinc-based alloys with aluminum, lead, copper or magnesium in varying quantities and sizes depending on market demand.

The electrolytic zinc refinery's major equipment includes a roaster with a capacity of 85 m2 of roasting area, a steam recovery boiler and an acid plant. There is a calcine processing area with five leaching stages: neutral, hot acid, intermediate acid, acid, purified fourth and jarosite, as well as two stages for solution purifying. Additionally, the equipment includes a cell house with two electrowinning circuits to finally obtain metallic zinc; an alloy and molding area with two induction furnaces and four molding systems, two of them with chains to produce 25 kilogram ingots; and two casting wheels to manufacture one ton Jumbo pieces. This refinery has a production capacity of 105,000 tons of refined zinc per year.

Smelter

The San Luis Potosi copper smelter has been in operation since 1925 and has gone through several phases of modernization, principally over the last ten years. The smelter presently has the capacity to process 230,000 tons of copper concentrate per year.

The plant operates one blast furnace (with a second on stand-by) that smelts incoming materials, mainly copper concentrates and copper by-products from lead plants, to produce a copper matte. The copper matte is then treated in one of the two Pierce Smith converters, producing copper blister (95.7% copper), which in 2008 contained approximately 2.1 ounces of gold and 360 ounces of silver per ton of copper blister produced. Of a total copper concentrate intake of 40,878 tons in 2008, approximately 29% was supplied by the IMMSA unit's mines and the remaining amount was purchased from third parties. 25% of the blister production is sold to the La Caridad copper smelter and the remaining 75% is sold to third party refineries throughout the world.

The San Luis Potosi copper smelter's equipment include two yard locomotives, two drag-shovels, twenty dump cars and six mechanic front loaders for the furnace charge mixing. Smelting and conversion equipment include three blast furnaces, two Pierce Smith converter furnaces, two molding furnaces, six electric front loaders, six towing units, three narrow way locomotives, two bridge cranes, two 7-ton cranes and three hoists. Venting system equipment includes nine fans with different capacities and two filtering bag houses. This plant has a smelting capacity of 24,000 tons of blister copper per year.

PERUVIAN OPERATIONS

Toquepala

1. The Toquepala Production Unit comprises three Economic Administrative Units: TOQUEPALA 1 comprising 24 mining concession over a 6,218 hectares surface. SIMARRONA including 14 mining concession over 5,516 hectares, and TOTORAL with 21 mining concession distributed over 5,384 hectares. In addition, the Toquepala Production Unit owns 16 mining concession over 8,789 hectares outside the above previous Economic Administrative Units.

   Overall the Toquepala Production Unit holds 75 mining concession over 25,045 hectares.

2. Two P&H 4100A shovels with a capacity of 73 tons (42.8 m^3), 1 P&H 4100A shovel

with a capacity of 78 tons (45.9 m^3), 3 P&H 2100BL shovels with a capacity of 20 tons (11.5 m^3), 1 BUCYRUS 495BI shovel with a capacity of 73 tons (42.8 m^3), 1 P&H 120A electric drill, 2 P&H 100XP electric drills, 2 BUCYRUS 49RIII rotary drills. 1 LE TOURNEAU 1400 front-end loader with a capacity of 36.4 tons (21.4 m^3.).

Auxiliary equipment, 1 crawler CAT D11-R, 1 crawler CAT D10-N, 2 crawler CAT D10-R, 3 crawler KOMATSU D375A; 1 motor grader CAT 16 H; 2 CAT motor grader 24-H, 5 KOMATSU WD600 wheel tractors, 2 wheel tractors CAT 844C, 1 wheel tractor CAT 834H; 4 irrigation tanks with a capacity of 20,000 gallons, 1 front loader CAT 992D.

3. 19 KOMATSU 930E trucks, each with a capacity of 283 tons, 5 CAT 793C trucks each one with a capacity of 231 tons, 18 KOMATSU 830E trucks each with a capacity of 218 tons.

4. "Toquepala Concentrator" Beneficiation Plant, with milling capacity of 60,000 tons per day, consists of 1 primary crusher, 3 secondary crushers, 6 tertiary crushers, 8 bar mills, 24 ball mills, 8 ball mills for re-crushing, 1 ball mill 9500 HP, 1 distribute control system (DCS), 1 optimizing control system (SGS), as well as, 6 WEMCO-130 flotation cells, 4 OK-100 flotation cells, 3 OK-50 flotation cells, 5 WEMCO-60 flotation cells, 15 column cells and 24 WEMCO 42.5 cubic meter flotation cells, 72 AGITAIR 1.13 cubic meter cells, 2 LAROX filter presses (PF60 & PF96), 5 middling thickeners, 2 tailings thickeners, 3 high-rate tailings, 1 "Tripper Car", 1 track tractor CAT D10-R and a recycled water pipe line. A molybdenum plant with a capacity of 2,000 tons per day, equipment is as follow: 35 INERTGAS MOD. 66-D, EINCO (100 ft3), 42 AGITAIR 1.13 cubic meter cells, 4 Column Cells and 1 LAROX filter press (PF6). This plant uses nitrogen gas.

Cuajone

1. The Cuajone Production Unit comprises two Economic Administrative Units: CUAJONE 1, comprising 22 mining concessions over 7,410 hectares; and COCOTEA with 17 mining concessions over 7,291 hectares. Additionally, Cuajone Production Unit with 10 mining concessions over 5,458 hectares, outside above two Economic Administrative Units. Overall, the Cuajone Production Unit comprises 49 mining concessions over a 20,159 hectare surface.

2. Two P&H 4100A shovels with a capacity of 73 tons (42.8 m3), 1 BUCYRUS electric shovel 495BII with a capacity of 73 tons (42.8 m3), 1 P&H 2800XPB shovel with a capacity of 54 tons, 1 P&H 2100BL shovel with a capacity of 23 ton (11.4 m3), 1 LE TOURNEAU 1800 front-end loader with a capacity of 43 tons, 2 P&H 120A electric drills, 1 P&H 100XP electric drill, 1 BUCYRUS BE49RIII electric drill, 6 CAT 966 front-end loaders with of 3.8 cubic meters of capacity, 3 CAT 988 front-end loaders with 6.1 cubic meters of capacity, 4 CAT-824 wheel tractors, 1CAT-834 wheel tractor, 1 CAT 844 wheel tractor, 1 KOMATSU WD600 wheel tractor, 7 CAT-D10 dozers, 1 CAT-D9 dozer, 1 CAT-16H motor-graders , 2 CAT-24H motor-graders.

3. Seven KOMATSU 930E trucks each with a capacity of 290 tons, 20 DRESSER 830E trucks each with a capacity of 218 ton and 7 CAT 793C trucks each one with a capacity of 231 ton.

4. "Cuajone Concentrator" Beneficiation plant with a milling capacity of 87,000 tons per day, consisting of 1 primary crusher, 3 secondary crushers, 7 tertiary crushers, 11 primary ball mills, 4 ball mills for re-crushing, 1 vertical mill, as well as 4 flotation cells OK-160, 30 OK-100 flotation cells, 8 column cells, 14 WEMCO 300 (ft3) flotation cells, 6 WEMCO-60 metric cubic flotation cells, 1 LAROX filter press PF96, 2 middling thickeners, 3 tailings thickeners, 1 high-rate tailings, 1 VOLVO FM12 truck, recycled water pipe line. The molybdenum plant with a capacity of 2358 tons / day, its equipments are as follow: 8 cells with a capacity of 400 DENVER FT3, 6 cells OK-8 with a capacity of 25 HP, 16 cells GALIGHER with a capacity of 800 FT3, 16 cells DENVER with a capacity of 100 FT3, and other equipments. This plant uses nitrogen gas.

Others

One SX/EW plant in Toquepala and one SX plant in Cuajone.
The SX Cuajone Plant has 1 primary jaw crusher and 1 secondary cone crusher HP-500 with a capacity of 390 ton/H, to process Cuajone's oxides. In addition, 1 agglomeration mill, 2 front end loader, 3 trucks each with a capacity of 109 tons for agglomerated ore hauling to the leach dumps. Copper in solution produced at Cuajone is sent to Toquepala through an 8" pipe laid alongside the Cuajone - Toquepala railroad track.

In Leaching Toquepala, there are irrigation systems distributed in the south dump and for the northwest dump. The percolation solution, or PLS, of the dumps is stored in 5 collection dams from which the solutions are pumped into a plant feed pond.

The feed pond receives the percolation solutions from the different collection ponds through the PLS pumping systems. The PLS contained in the feed pond is transferred by gravity to the solvent extraction plant (ES) where the PLS is concentrated and purified obtaining electrolyte. The plant has 3 solvent extraction trains each with a nominal capacity of 1,068 cubic meters per hour of PLS and 162 cells of electrodeposits distributed in two electrolytic ships, one with 122 cells and the other one with 40 cells. Electrodeposition (DE) has 4 rectifiers with a capacity of 23,000 amps each that provides the necessary current to convert the electrolyte ionic copper to metallic copper.

ILO METALLURGIC COMPLEX

ILO

1. The Ilo metallurgical complex has one Administrative & Economic Unit named ILO with 15 non-metallic mining concessions over 2,419 hectares. Additionally, the metallurgical complex has 12 mining concessions over 4,812 hectares, making a total of 27 mining concessions with a total area of 7,231 hectares.

2. Ilo Smelter with a smelting capacity of 1'200,000 tons of concentrate, one Isasmelt furnace, 2 Rotary Holding Furnaces, 4 Pierce Smith converters, 2 slag cleaning furnaces, 2 refining furnaces and 1 twin anode casting wheel. The ISASMELT Furnace is a bath concentrate smelting technology, uses a oxygen enriched air lance that is immersed in a volume of molten slag, The matte-slag mixture is tapped to the Rotary Holding Furnaces to separate the matte and slag. The matte with 62% of copper is processed in the Peirce Smith converters to produce a 99.3% blister copper. The blister copper is treated in the refining furnaces to produce the anodic copper which is

cast in the twin casting wheel. The final product of the Smelter is the 99.7% copper anode.

The Ilo Smelter also has a sea water pumping plant which is used in the furnace jacket water cooling system. Additionally, the Smelter has two desalination plants (110 m^3/h), a potable water plant and a sewage treatment plant.

3. Two sulfuric acid plants with a total capacity of 1'144,000 tons/year. The smelter gases are processed in acid plants to produce 98.5% sulfuric acid, The smelter sulfur capture is above 92%. The acid production process has the following steps: cooling and cleaning of the smelter gas, drying, gas conversion of the SO_2 and SO_3 absorption. Sulfuric acid is stored in tanks for a final transportation to different consumers.

4. Two cryogenic oxygen plants with a total capacity of 1,317 tons of 95% oxygen per day. The oxygen is used in the ISASMELT furnace, separation furnaces and PEIRCE SMITH converters.

5. Ilo refinery and Electrolytic Plant: with a capacity of 280,000 ton per year (cathodes), 926 commercial cells and 52 starting cells. And 16 first liberator cells, 24 second liberator cells, a precious metals plant with 1 Wenmec selenium reactor, 1 cupel furnace, 24 silver refining cells and 1 hydrometallurgical system for gold recovery.

6. Coquina plant with a production capacity of 135,000 tons per year of seashells. Coquina Mining Plant extracts seashells to supply the raw material to the Lime Plant and fluxes to the ISASMELT furnace. The mining ratio is 25:100, the sea shell product has a content above 80% of $CaCO_3$.

7. Burnt Lime plant with a capacity of 65,000 tons per year. Processes seashells received from Coquina plant

obtaining 80% CaO Lime through the decomposition of the calcium carbonate. Lime is used in Toquepala and Cuajone concentrators and in effluents plants associated to acid plant.

Others

Industrial railroad to haul concentrates and supplies between Toquepala, Cuajone and Ilo with 29 locomotives, 264 dump cars, 91 flat cars, 254 boxcars, 8 closed boxcars, 11 closed hopper-type cars, 34 open hopper-type cars, 36 various tank wagons, 49 sulfuric acid tanks, 6 patrol cars.

Employees

MEXICAN OPERATIONS

At December 31	2008	2007	2006	2005	2004
Employees	1,836	2,142	2,142	2,264	2,255
Workers	5,973	6,512	6,512	7,049	6,985
Total	7,809	8,654	8,654	9,313	9,240

PERUVIAN OPERATIONS

At December 31	2008	2007	2006	2005	2004
Employees	1,912	1,895	1,839	1,835	1,804
Workers	1,756	1,702	1,715	1,730	1,740
Total	3,668	3,597	3,554	3,565	3,544

CHILEAN OFFICE

At December 31	2008	2007	2006	2005	2004
Total	10	10	10	10	0

CORPORATE OFFICE

At December 31	2008	2007	2006	2005	2004
Total	7	7	7	7	7

TOTAL EMPLOYEES IN SCC

At December 31	2008	2007	2006	2005	2004
Total Mexico	7,809	8,654	8,654	9,313	9,240
Total Peru	3,668	3,597	3,554	3,565	3,544
Total Oficina Corporativa	7	7	7	7	7
Total Chile	10	10	10	10	0
Total	11,494	12,268	12,225	12,895	12,801

Principles of Corporate Governance

General Management Resolutions the National Commission for Corporate and Securities Supervision (CONASEV, by its acronym in Spanish) No. 096-2003-EF/94.11 y No. 140-2005-EF/94.11

The information referred to both resolutions will be submitted to the CONASEV of the Republic of Peru, together with the Annual Report.

Economic relations with other companies due to loans that commit more than 10% of the stockholder's equity of the issuing entity.

To date, there are no loans with other companies that compromise more than 10% of SCC's property.

ADMINISTRATIVE JUDICIAL OR ARBITRATION PROCESSES

LITIGATION

See Note to Consolidated Financial Statements.

Changes of those responsible for the preparation and revision of the financial information

Jose N. Chirinos acts as Director of Comptroller and Finance and Marco A. Garcia acts as Finance Manager.

Information related to the stock entered in the Stock Market Public

Common Stock:

On November 29, 1995 the Company offered to exchange the recently issued common shares for all and any labor shares of the Peruvian Branch of the Company, at a ratio of one common share per four S-1 shares and one common share per five S-2 shares. The exchange expired on December 29, 1995, with 80.8% of the total labor shares in circulation exchange for 22'959,334 common shares. These common shares are quoted in New York Stock Exchange and the Lima Stock Exchange and are entitled to one vote per share.

Along with the exchange of labor shares the holders of common shares of the Company exchanged their shares for class A common shares, with the right to five votes per share.

In connection with the Minera Mexico acquisition (April 1, 2005), 134'415,280 new common shares were issued and class A common shares of the Company were converted to common shares, and preferential votes were eliminated. On June 9, 2005, Cerro Trading Company, Inc., SPC Investors L.L.C., Phelps Dodge Overseas Capital Corporation and Climax Molybdenum B.V., subsidiaries of two of SCC's founding shareholders and affiliates, sold their share in SCC.

On August 30, 2006 the Executive Committee of the Board of Directors declared a two-for-one split of the Company's outstanding common stock. On October 2, 2006 common shareholders of record at the close of business on September 15, 2006, received one additional share of common stock for every share owned. The Company's common stock began trading at its post-split price on October 3, 2006. The split increased the number of shares outstanding to 294'460,850 from 147'230,425.

On June 19, 2008 the Executive Committee of the Board of Directors declared a three-for-one split of the Company's outstanding common stock. On July 10, 2008 common shareholders of record at the close of business on June 30, 2008, received two additional shares of common stock for every share owned. The split increased the number of shares outstanding to 883'410,150 from 294'470,050.

All share and per share amounts have been retroactively adjusted to reflect the stock split.

Consequently, as from December 31, 2008, 854'900,000 common shares of the Company were under circulation with a nominal value of $0.01 per share.

Corporate Bonds

On May 9, 2006, SCC issued $400 million 7.5% Notes due 2035. On July 27, 2005, SCC issued $200 million 6.375% Notes due 2015 and $600 million 7.5% Notes due 2035. The notes are senior unsecured obligations of the Company. The net proceeds from the issuance and sale of the notes were used to repay outstanding indebtedness of our Peruvian and Mexican operations, under its $200 million and $600 million ($480 million outstanding) credit facilities, respectively, and the balance will be used for general corporate purposes. SCC filed a Registration Statement on Form S-4 with respect to these Notes on October 28, 2005.

On January 3, 2006 the Company completed an exchange offer for $200 million, 6.375% Notes due 2015 and $600 million, 7.5% Notes due 2035. In the exchange offer, $197.4 million of the 6.375% old notes due 2015 were tendered in exchange for an equivalent amount of new notes and an aggregate of $590.5 million of the 7.5% old notes due 2035 were tendered in exchange for an equivalent amount of new notes. The new notes have been registered under the U.S. securities law. The indentures relating to the notes contain certain covenants, including limitations on liens, limitations on sale and leaseback transactions, rights of the holders

Copper deposit in new Tia Maria unit in Arequipa, Peru

Thickener at Cuajone concentrator, Peru

of the notes upon the occurrence of a change of control triggering event, limitations on subsidiary indebtedness and limitations on consolidations, mergers, sales or conveyances. All of these limitations and restrictions are subject to a number of significant exceptions, and some of these covenants will cease to be applicable before the notes mature if the notes attain an investment grade rating. At December 31, 2008, we are in compliance with these covenants.

In January 2005, the Company signed a $200 million credit facility with a group of banks led by Citibank, N.A. Proceeds of this credit facility were used to prepay $199 million the outstanding bonds of the Company's Peruvian bond program. On July 28, 2005, a portion of the proceeds from the financing, noted above, were used to repay this facility.

In 1998, Minera Mexico issued $500 million of unsecured debt, which we refer to as its Yankee bonds. The Yankee bonds were offered in two series: Series A for $375 million, with an interest rate of 8.25% and a 2008 matu-rity date, and Series B for $125 million, with an interest rate of 9.25% and a 2028 maturity date. During 2006 and 2005, the Company repurchased $23.3 million and $143.0 million of the Series A bonds, respectively. The bonds contain a covenant requiring Minera Mexico to maintain a ratio of EBITDA to interest expense of not less than 2.5 to 1.0, as such terms are defined by the bonds. At December 31, 2008, Minera Mexico is in compliance with this covenant.

In 1999, the Company established a $100 million credit facility with Mitsui & Co. The facility has a 15-year term with an interest rate of Japanese LIBO plus 1.25% (Japanese LIBO for this loan was 2.32% at December 31, 2008). The facility is collateralized by the assignment of copper sales receivables of 31,000 tons of copper per year and requires an escrow account to fund scheduled payments. The facility requires that we maintain a minimum stockholders' equity of $750 million and a ratio of debt to equity no greater than 0.5 to 1.0, all as such terms are defined by the facility. Reduction of Grupo Mexico's direct or indirect voting interest in our Company to less

Core detail at Tia Maria, Peru

Cuajone leach plant geomembrane, Peru

than a majority would constitute an event of default under the facility. At December 31, 2008, we are in compliance with these covenants.

On October 29, 2004, Minera Mexico borrowed $600 million pursuant to a facility with a final maturity date in 2009. The credit facility bore interest at LIBOR plus 200 basis points. The proceeds from the credit facility were used to repay in full the amounts outstanding under a common agreement with holders of Minera Mexico's secured export notes and other financial institutions. The loan was secured by a pledge of Minera Mexico's principal properties and was guaranteed by its principal subsidiaries. In 2005, the Company prepaid the total amount of this financing, using in part proceeds from the July 27, 2005 Note issuance.

We expect that we will meet our cash requirements for 2009 and beyond from internally generated funds, cash on hand and from additional external financing if required.

Members of the Board of Directors at December 31, 2008

German Larrea Mota-Velasco, Director.
Mr. Larrea has been Chairman of the Board since December 1999, Chief Executive Officer from December 1999 to October 2004, and a Director of the Company since November 1999. He has been Chairman of the Board of Directors, President and Chief Executive Officer of Grupo Mexico, S.A.B. de C.V. ("Grupo Mexico") (holding) since 1994. Mr. Larrea has been Chairman of the Board of Directors and Chief Executive Officer of Grupo Ferroviario Mexicano, S.A. de C.V. (railroad company) since 1997. Mr. Larrea was previously Executive Vice Chairman of Grupo Mexico, and has been member of the Board of Directors since 1981. He is also Chairman of the Board of Directors and Chief Executive Officer of Empresarios Industriales de Mexico, S.A. de C.V. (holding), Compañia Perforadora Mexico, S.A. de C.V. (drilling company), Mexico Compañia Constructora, S.A. de C.V. (construction company), and Fondo Inmobiliario (real estate company) since 1992. He founded Grupo Impresa, a printing and publishing company in 1978, remaining as the Chairman and Chief Executive Officer until 1989 when the company was sold. He is also a Director of Banco Nacional de Mexico, S.A (Citigroup), which forms part of Grupo Financiero Banamex, S.A. de C.V., Consejo Mexicano de Hombres de Negocios, and Grupo Televisa, S.A.B. He and Mr. Genaro Larrea Mota-Velasco are brothers.

Oscar Gonzalez Rocha, Director.
Mr. Gonzalez Rocha has been our President since December 1999 and our President and Chief Executive Officer since October 21, 2004. He has been a Director of the Company since November 1999. Previously, he was the Company´s President and General Director and Chief Operating Officer from December 1999 to October 20, 2004. Mr. Gonzalez Rocha has been a Director of Grupo Mexico from 2002 to present. He was General Director of Mexicana de Cobre, S.A. de C.V. from 1986 to 1999 and of Mexicana de Cananea, S.A. de C.V. from 1990 to 1999. He was an alternate Director of Grupo Mexico from 1998 to April 2002. Mr. Gonzalez Rocha is a civil engineer with a degree from the Autonomous National University of Mexico (UNAM).

Emilio Carrillo Gamboa, Director.
Mr. Carrillo Gamboa has been a Director of the Company since May 30, 2003 and is one of our independent Director nominee. Mr. Carrillo Gamboa is a prominent lawyer in Mexico and has been the Senior Partner of the law firm Bufete Carrillo Gamboa, S.C., a law firm specializing in corporate, financial, commercial, and public utility issues, for the last five years. Mr. Carrillo Gamboa has extensive business experience and currently serves on the boards of many prestigious international and Mexican corporations as well as charitable organizations. Since March 9, 2005, he has been Chairman of the Board of The Mexico Fund, Inc. (NYSE - msxf), a non-diversified closed-end management investment company. Mr. Carrillo Gamboa was Director General of Telefonos de Mexico, S.A. de C.V. ("TELMEX") and from July 1987 to February 1989, he was Mexico's Ambassador to Canada. Mr. Carrillo Gamboa currently serves on the boards of Grupo Modelo, S.A.B. de C.V. (beer brewing), Kimberly-Clark de Mexico, S.A.B. de C.V. (consumer products), SAN LUIS Corporacion, S.A.B. de C.V. (automotive parts), Empresas ICA, S.A.B. de C.V. (construction), Grupo Posadas, S.A.B. de C.V., Grupo Mexico and subsidiaries, Grupo Nacional Provincial, S.A.B., Medica Integral GNP, S.A. de C.V., Profuturo GNP, S.A. de C.V. Afore, and Gasoductos de Chihuahua, S. de R.L. de C.V. and subsidiaries. He is a member of the Valuation, Contract Review and Nominating and Corporate Governance Committees of the Mexico Fund and a member of the Audit Committee of the following companies: Empresas ICA, S.A.B. de C.V. since 2002, Grupo Modelo, S.A.B. de C.V. since 2002, Kimberly-Clark de Mexico, S.A.B. de C.V. since 2002, SAN LUIS Corporacion, S.A.B. de C.V. since 2002, The Mexico Fund, Inc. since 2002, Grupo Mexico and subsidiaries since 2004, and Grupo Posadas, S.A.B. de C.V. since 2006. Except for Medica Integral GNP, S.A. de C.V., Profuturo GNP, S.A. de C.V. Afore, and

Gasoductos de Chihuahua, S. de R.L. de C.V. and subsidiaries, which are private companies, the rest are public companies listed on the Mexican Stock Exchange, and two are listed on the NYSE, The Mexico Fund, Inc. and Empresas ICA, S.A.B. de C.V. Mr. Carrillo Gamboa has a law degree from the Autonomous National University of Mexico (UNAM). He also attended a continuous legal education program at Georgetown University Law School, and practiced at the World Bank.

Alfredo Casar Perez, Director.
Mr. Casar Perez has been a Director of the Company since October 26, 2006. He has been a member of the Board of Directors of Grupo Mexico since 1997. He is also a member of the Board of Directors of Ferrocarril Mexicano, S.A. de C.V., an affiliated company of Grupo Mexico, since 1998 and its Chief Executive Officer since 1999. From 1992 to 1999, Mr. Casar Perez served as General Director and member of the Board of Directors of Compañia Perforadora Mexico, S.A. de C.V. and Mexico Compañia Constructora, S.A. de C.V., two affiliated companies of Grupo Mexico. Mr. Casar Perez served as Project Director of ISEFI, a subsidiary of Banco Internacional in 1991 and Executive Vice-President of Grupo Costamex in 1985. Mr. Casar Perez also worked for the Real Estate Firm, Agricultural Ministry, and the Mexican College. Mr. Casar Perez holds a degree in Economics from the Autonomous Technological Institute of Mexico, ITAM, and one in Industrial Engineering from the Anahuac University. He also holds a Master's degree in Economics from the University of Chicago.

Alberto de la Parra Zavala, Director.
Mr. de la Parra has been a Director of the Company since July 26, 2007. He has been the General Counsel of Grupo Mexico since February 2007. He was a Partner of Galicia y Robles, S.C., a prominent Mexican law firm, from February 2002 to January 2007. Mr. de la Parra was a Partner of Santamarina y Steta, S.C., one of the largest law firms in Mexico, from 1997 to 2002. He also worked for one year as a foreign associate with the law firm White & Case LLP in New York City. Mr. de la Parra is an accomplished Mexican attorney with broad experience in corporate and financial matters, including mergers and acquisitions. He has represented Mexican and international clients before Mexican authorities, including the Banking and Securities Exchange Commission, and the Stock Exchange. Additionally, Mr. de la Parra is the Corporate Secretary of the Board of Directors of Grupo Mexico, and of some of its subsidiaries. Mr. de la Parra has a law degree from the Escuela Libre de Derecho of Mexico.

Xavier Garcia de Quevedo Topete, Director.
Mr. Garcia de Quevedo has been a Director of the Company since November 1999. He has been the President of Minera Mexico since September 2001 to date and the President and Chief Executive Officer of Southern Copper Minera Mexico and our Chief Operating Officer since April 12, 2005. He has been the President and Chief Executive Officer of Americas Mining Corporation since September 7, 2007. Mr. Garcia de Quevedo initiated his professional career in 1969 with Grupo Mexico. He was President of Grupo Ferroviario Mexicano, S.A. de C.V. and of Ferrocarril Mexicano, S.A. de C.V. from December 1997 to December 1999, and General Director of Exploration and Development of Grupo Mexico from 1994 to 1997. He has been a Director of Grupo Mexico since April 2002. He was also Vice-President of Grupo Condumex for eight years. Mr. Garcia de Quevedo is the Chairman of the Mining Chamber of Mexico. He is a Chemical Engineer with a degree from the Autonomous National University of Mexico (UNAM). He also attended a continuous business administration and finance program at the Technical Institute of Monterrey in Mexico.

Harold S. Handelsman, Director.
Mr. Handelsman has been a Director of the Company since August 2002 and is one of our independent Director nominees. Mr. Handelsman has been an Executive Vice-President and General Counsel of The Pritzker Organization, LLC, a private investment firm, since 1998. Mr. Handelsman has also been a Senior Executive Officer of Hyatt Corporation since 1978, currently serving as Senior Vice-President and Secretary. He is also Executive Vice-President and Assistant Secretary of Global Hyatt Corporation. He is also a Director of a number of private corporations. He received a B.A. degree from Amherst College in 1968 (cum laude) and a J.D. from Columbia University in 1973 (James Kent Scholar).

Genaro Larrea Mota-Velasco, Director.
Director. Mr. Larrea was our Vice-President, Commercial from December 1999 until April 25, 2002, and has been a Director since November 1999. From April 1983 to August 2002, Mr. Larrea held several positions in the areas of finance, commercial and logistics with Grupo Mexico. He has been a Director of Grupo Mexico since 1994. He is currently Chairman of the Board of Directors of Corporacion Scribe SAB. Mr. Larrea has a Bachelor's degree in Business Administration from Newport University and a Global Leadership Program certificate from Thunderbird University. He and Mr. German Larrea Mota-Velasco are brothers.

Daniel Muñiz Quintanilla, Director.
Mr. Muñiz has been the Chief Financial Officer of Grupo Mexico since April 2007. Prior to joining Grupo Mexico, Mr. Muñiz was a practicing corporate-finance lawyer from 1996 to 2006. During this time he worked at Cortes, Muñiz y Nuñez Sarrapy; Mijares, Angotia Cortes y Fuentes; and Baker & McKenzie (London and Mexico City offices). He holds a Master's degree in Financial Law from Georgetown University, and a Master's degree in Business Administration from Instituto de Empresa in Madrid.

Armando Ortega Gomez, Director.
Mr. Ortega has been our Vice-President, Legal and Secretary since April 25, 2002 and a Director since August 2002. He has been our General Counsel since October 23, 2003. Previously, he was our Assistant Secretary from July 25, 2001 to April 25, 2002. He was General Counsel of Grupo Mexico from May 2001 to February 2007. Previously, he headed the Unit on International Trade Practices of the Ministry of Economy of Mexico with the rank of Subsecretary from January 1998 to mid-May 2001, and was negotiator for international matters for said Ministry from 1988 to May 2001.

Luis Miguel Palomino Bonilla, Director.
Dr. Palomino has been a Director of the Company since March 19, 2004 and is one of our independent Director nominees. Dr. Palomino has been a Managing Partner of RMG Consultores (a financial consulting firm) since May 2007 and was previously Principal and Senior Consultant of Proconsulta International (financial consulting) since 2003. Previously he was First Vice-President and Chief Economist, Latin America, for Merrill Lynch, Pierce, Fenner & Smith, New York (investment banking) from 2000 to 2002. He was Chief Executive Officer, Senior Country and Equity Analyst of Merrill Lynch, Peru (investment banking) from 1995 to 2000. Dr. Palomino has held various positions with banks and financial institutions as an economist, financial advisor and analyst. He has a PhD in finance from the Wharton School of the University of Pennsylvania, Philadelphia, and graduated from the Economics Program of the University del Pacifico, Lima, Peru.

Gilberto Perezalonso Cifuentes, Director.
Mr. Perezalonso has been a Director of the Company since June 2002 and is one of our independent Director nominees. He was Chief Executive Officer of Corporacion Geo S.A. de C.V. from February

2006 to February 2007. Mr. Perezalonso was the Chief Executive Officer of Aeromexico (Aerovias de Mexico, S.A. de C.V.) from 2004 until December 2005. From 1998 until April 2001, he was Executive Vice-President of Administration and Finance of Grupo Televisa, S.A.B. From 1980 until February 1998, Mr. Perezalonso held various positions with Grupo Cifra, S.A. de C.V., the most recent position being that of General Director of Administration and Finance. Now he is a member of the Advisory Council of Banco Nacional de Mexico, S.A. de C.V., member of the Board of Investment Committee of Afore Banamex, member of the Board of the Investment Committee of Siefore Banamex No. 1, and is a member of the Boards of Gigante, S.A. de C.V., Masnegocio Co. S. de R.L. de C.V., Cablevision, S.A. de C.V., Grupo Televisa, S.A.B., Telefonica Moviles Mexico, S.A. de C.V. and Construction Company Marhnos. Mr. Perezalonzo is also a member of the Audit Committee of Grupo Televisa S.A.B. Mr. Perezalonso has a law degree from the Iberoamerican University and a Master's degree in Business Administration from the Business Administration Graduate School for Central America (INCAE). Mr. Perezalonso has also attended the Corporate Finance program at Harvard University.

Juan Rebolledo Gout, Director.
Mr. Rebolledo has been a Director of the Company since May 30, 2003. Mr. Rebolledo has been International Vice-President of Grupo Mexico since 2001. He was Deputy Secretary of Foreign Affairs of Mexico from 1994 to 2000 and Deputy Chief of Staff to the President of Mexico from 1993 to 1994. Previously, he was Assistant to the President of Mexico (1989-1993), Director of the "National Institute for the Historical Studies of the Mexican Revolution" of the Secretariat of Government (1985-1988), Dean of Graduate Studies at the National Autonomous University of Mexico (UNAM), Political Science Department (1984-1985), and professor of said university (1981-1983). Mr. Rebolledo holds a law degree from UNAM, an MA in philosophy from Tulane University, and an LLM from Harvard Law School.

Carlos Ruiz Sacristan, Director.
Mr. Ruiz Sacristan has been a Director of the Company since February 12, 2004 and is one of our independent Director nominees. Since November 2001, he has been the owner and Managing Partner of Proyectos Estrategicos Integrales, a Mexican investment banking firm specialized in agricultural, transport, tourism, and housing projects. Mr. Ruiz Sacristan has held various distinguished positions in the Mexican government, the most recent being that of Secretary of Communication

and Transportation of Mexico from 1995 to 2000. While holding that position, he was also Chairman of the Board of Directors of the Mexican-owned companies in the sector, and member of the Board of Directors of development banks. Mr. Ruiz Sacristan is currently a member of the Board of Directors and of the Audit and Environmental and Technology Committees of Sempra Energy. Mr. Ruiz Sacristan holds a Bachelor's degree in Business Administration from the Anahuac University of Mexico City, and an MBA degree from Northwestern University of Chicago.

EXECUTIVE OFFICERS

German Larrea Mota-Velasco
Chairman of the Board

Oscar Gonzalez Rocha
President and Chief Executive Officer

Xavier Garcia de Quevedo Topete
President and Chief Executive Officer Southern Copper Minera Mexico and our Chief Operating Officer

Genaro Guerrero Diaz Mercado
Vice-President, Finance and Chief Financial Officer

Jose de los Heros Ugarte
Vice-President, Commercial

Vidal Muhech Dip
Vice-President, Projects

Armando Ortega Gomez
Vice-President, Legal,
General Counsel and Secretary

Jose N. Chirinos Fano
Comptroller.

Next of kin

Messrs. German Larrea Mota-Velasco, Chairman of the Board of the Company and Genaro Larrea Mota-Velasco, a Director of the Company are brothers or kindred in second degree of consanguinity.

A company of which more than 50% of the voting power is held by a single entity, a "controlled company", need not comply with the requirements of the New York Stock Exchange ("NYSE") corporate governance rules requiring a majority of independent Directors and independent compensation and nomination/corporate governance committees. SCC is a controlled company as defined by the rules of the NYSE. Grupo Mexico owns indirectly 78.97% of the stock of the Company. The Company has taken advantage of the exceptions to comply with the corporate governance rules of the NYSE. The Board of Directors of the Company determined that Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso, and Emilio Carrillo, the three members of the Company's Audit Committee, are independent of management and financially literate in accordance with the qualifications of the NYSE and the Securities and Exchange Commission ("SEC"), as such qualifications are interpreted by the Company's Board of Directors in its business judgment. In 2008 we had four special independent directors nominated by the Special Nominating Committee, Messrs. Harold S. Handelsman, Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, and Carlos Ruiz Sacristan. In 2008, Mr. Emilio Carrillo Gamboa was our fifth independent director. At its meeting on January 24, 2008, the Board of Directors determined that Messrs. Harold S. Handelsman, Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, Carlos Ruiz Sacristan and Emilio Carrillo Gamboa were independent of management in accordance with the requirements of the NYSE as such requirements are interpreted by our Board of Directors in its business judgment.

To the best of the Company's knowledge, no other relationship of affinity and/or consanguinity exists among the other members of the Board, and between them and the Executive Officers of Southern Copper Corporation.

Special Committees of the Board

SCC's Board of Directors has organized the following Special Committees:

1, Executive Committee, sitting five members who substitute for the Board when sessions or decisions are required concerning urgent matters, or which the Board would have expressly delegated its mandate.

2, Audit Committee, sitting three independent Board members who are knowledgeable in accounting and financial matters. Its main purpose is to (a) assist the Board in monitoring (i) the quality and integrity of the Company's financial statements; (ii) the qualifications and independence of the independent auditors;(iii) the appropriate performance of the internal audit function; and (iv) the Company's compliance with legal and regulatory provisions; and (b) prepare the report for the affidavit statement.

3, Compensation Committee, comprising of four Board members, its principal objective is to evaluate and establish the remunerations of senior officials and key employees at the Company and its subsidiaries, and eventual raises in subsidiaries.

4, Special Committee Nominees, comprising of 2 independents Board members and, one nominees by the Board, its principal objective is to promote and evaluate people who are propose as Special and Independents Directors.

5, Corporate Governance Committee, Its four Board members have as their principal role to advise the Board on its functions and needs, develop and recommend the approval of the Company's good governance principles, and overseeing the evaluation of the Board's and Management's performance.

6, Administrative Committee Designated by the Board for (Employee Retirement Income Security Act – ERISA - USA) Benefits Plans. The Vice-President for Finance and Chief Financial Officer is the Board-appointed Trustee for the Company's Benefits Plans subject to US regulations, including ERISA. This Officer will appoint an Administrative Committee sitting four management members whose purpose is to administrate and manage those plans and to oversee the performance of the trust agents and others charged with investing the plans' monies.

Administration and Board Income

Total remunerations of Board and Administration members, in relation to the Company´s g ross income is 0.20%.

Annual Meeting

The annual meeting of stockholders of Southern Copper Corporation will be held on Thursday, April 30, 2009 at 9:00 hours. Mexico D.F. time, at Campos Eliseos No. 400, 9 floor, Col. Lomas de Chapultepec, Mexico D.F., Mexico.

Corporate Offices:

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Fax +(602) 494-5317

Mexico

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9 floor
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Mexico D.F.
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Fax +(52-55) 11 03 55 83

En el Peru

Avenue Caminos del Inca Nro. 171 Chacarilla del Estanque
Santiago de Surco
Lima 33, Peru
Phone. +(511) 512-0440, Ext. 3211[1]
Fax +(511) 512-0486

Transfer Agent, Registrar and Stockholder Services

The Bank of New York Mellon Corporation (BONY)
Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
Phone +(800) 524-4458

[1]Proxy status, extension 3225 for Spanish

Dividend Reinvestment Program.

SCC stockholders can have their dividends automatically reinvested in SCC common shares. SCC pays all administrative and brokerage fees. This plan is administered by The Bank of New York Mellon Corporation. For more information, contact The Bank of New York Mellon Corporation at Phone +(800) 524-4458.

Stock Exchange Listing.

The principal markets for SCC's Common Stock are the New York Stock Exchange and the Lima Stock Exchange. The SCC Common Stock symbol is PCU on both the NYSE and on the Lima Stock Exchange.

Others

The Branch in Peru has issued, in accordance with Peruvian law, 'investment shares' (formerly named labor shares) that are quoted in the Lima Stock Exchange under the symbol S-1 and S-2. Transfer Agent, registrar and stockholders services are provided by Banco de Credito of Peru at Avenue Centenario 156, La Molina, Lima 12, Peru. Phone +(511) 313-2478, Fax +(511) 313-2556.

Other Corporate Information

For other information on the corporation or to obtain additional copies of the annual report, contact the Corporate Communications Department at our corporate offices.

Southern Copper Corporation

USA: 11811 North Tatum Blvd., Suite 2500, Phoenix, AZ 85016, U.S.A.,
Phone: (602) 494-5328, Fax: (602) 494-5317.

NYSE Symbol: PCU.
Mexico: Campos Eliseos No. 400, 9 floor, Col. Lomas de Chapultepec
Mexico D.F.
Phone +(52-55) 1103-5000, Extension 5855
Fax +(52-55) 11 03 55 83

Peru: Avenue Caminos del Inca 171 (B-2), Chacarilla del Estanque, Santiago de Surco – Lima 33 - Peru/ Lima Stock Exchange Symbol: PCU. Phone. +(511) 512-0440, Ext. 32111 Fax +(511) 512-0486

Web Page:
www.southerncoppercorp.com

E-mail address:
southerncopper@southernperu.com.pe

Form 10-K[2]. Certification is required by New York Stock Exchange
Attached Form 10-K contains Management's Discussion and Analysis of Financial Condition and Results of Operations, Consolidated Combined Financial Statements and the accompanying notes are an integral part of these Annual Report.

The Company has filed with the NYSE the 2008 certification that the Chief Executive Officer is unaware of any violation of the corporate governance standards of the NYSE. The Company has also filed with the SEC the certifications required under Section 302 of the Sarbanes-Oxley Act of 2002, as exhibits to the Annual Report on 2008 Form 10-K. The Company anticipates filing on a timely basis, the 2009 NYSE certification.

[2]Form 10-K, Phone. +(511) 512-0440, Ext. 3354

MEMBERS OF THE BOARD OF DIRECTORS

German Larrea Mota-Velasco
Oscar Gonzalez Rocha
Emilio Carrillo Gamboa
Alfredo Casar Perez
Alberto de la Parra Zavala
Xavier Garcia de Quevedo Topete
Harold S. Handelsman
Genaro Larrea Mota-Velasco
Daniel Muñiz Quintanilla
Armando Ortega Gomez
Luis Miguel Palomino Bonilla
Gilberto Perezalonso Cifuentes
Juan Rebolledo Gout
Carlos Ruiz Sacristan

AUDIT COMMITTEE

Emilio Carrillo Gamboa,
Chairman,

Luis Miguel Palomino Bonilla and
Gilberto Perezalonso Cifuentes

EXECUTIVE OFFICERS

German Larrea Mota-Velasco
Chairman of the Board

Oscar Gonzalez Rocha
President and Chief Executive Officer

Xavier Garcia de Quevedo Topete
President and Chief Executive Officer Southern Copper Minera Mexico and our Chief Operating Officer

Genaro Guerrero Diaz Mercado
Vice-President, Finance and Chief Financial Officer

Jose de los Heros Ugarte
Vice-President Commercial

Vidal Muhech Dip
Vice-President, Projects

Armando Ortega Gomez
Vice-President, Legal, General Counsel and Secretary

Jose N. Chirinos Fano
Comptroller

Cactus at Tia Maria Project landscape.

DISEÑO: ZIMAT DESIGN CENTER

SOUTHERN COPPER CORPORATION

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UNITED STATES
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