SOUTHERN COPPER
GRUPO MEXICO

Annual Report 2010

Tuning musical instruments

SYMPHONY TO GROW

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 2010. SCC takes responsibility for its contents according to applicable requirements".

Hans A. Flury Royle
Assistant 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. dollar equivalents translated in accordance with generally accepted accounting principles in the United States. "SCCO", "SCC", "Southern Copper" or the "Company" includes Southern Copper Corporation and its consolidated subsidiaries. As a way to reflect the beginning of a new era for developing the Cananea property to its full potential, on December 11, 2010, we have changed the name of the company operating it to Buenavista del Cobre ("Buenavista").

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LETTER TO SHAREHOLDERS

2010 was an outstanding year for Southern Copper Corporation, during which the Company continued with its consolidation process and its continued improvement policy. This success is reflected in a net income of $1,554.0 million, 67.2% higher than 2009, while the change in the average price of our main product, copper, increased 46%. Net income in 2009 was $929.4 million.

Our principal operations are in Peru and Mexico and we conduct exploration programs in those countries and in Chile. Our focus is on remaining profitable during periods of low copper prices; expand our production facilities and maximizing results in periods of high copper prices.

Our greatest strength lies in our copper ore reserves, which at December 31, 2010 totaled 69.3 million tons of contained copper, calculated at a copper price of $2.971 per pound (as of December 31, 2010 the LME and COMEX copper price were $3.42 and $3.43, respectively). In terms of copper reserves, we believe we hold the world's largest reserve position which guarantees the Company's long-term sustainability and a satisfactory return on investment.

Our other strengths include high quality of assets, low cost leadership in the industry and our prudent financial policies which are reflected in our financial performance.

Operating cash cost per pound of copper, net of by-product credit, was 16.8 cents per pound in 2010, compared with 35.8 cents per pound in 2009. This improvement was the result of higher by-product credits, principally from higher prices for molybdenum, zinc and silver as well as higher molybdenum volume.

In addition to copper we produce significant amounts of other metals, either as by-product of the copper process or at a number of dedicated mining facilities. Our metal production is diversified. In 2010, copper represented approximately 73% of our revenues, molybdenum 13%, silver 6%, and other minerals 8% (including zinc, gold and other minerals).

In 2010, sales were $5,149.5 million, 37.9% higher than the $3,734.3 million in 2009. This increase was mainly the result of higher metal prices as well as higher molybdenum production.

In 2010, the Company reached a new molybdenum production record of 20,519 tons, 9.8% higher than the 18,687 tons produced in 2009. Refined silver production increased 1.2% in 2010 compared to 2009 principally due to higher silver content in our IMMSA operations and in third-party material processed at Ilo.

In 2011, we will continue with our aggressive mining and metallurgical capital investment projects. The Company intends to allocate $1.7 billion for this year, of which approximately $881 million would be invested in Mexico and $862 million in Peru. This investment intends to increase our copper and molybdenum production capacity maintaining our low cost leadership.

Capital and exploration expenditures in 2010 were $443.0 million, which were invested in our Mexican operations as well as in Peru, through the expansion of the Toquepala and Cuajone concentrators and the Tia Maria project.

The financial publication Latin Finance awarded our April 2010 $1.5 billion bond issue the prize “Best Corporate Bond of 2010”, which resulted in a subscription demand of over $9 billion.

Social programs of the Company continue running on all of our operational areas, especially for the benefit of the surrounding population. In Mexico we rebuilt the hospital, paved streets, and modernized the library, for the community next to the Buenavista mine. In Peru, we continued with our improvement program for the f irrigation infrastructure in the highlands; this enhances the use of the water and the quality of pastures, livestock feed, and the production of fodder and milk, all of which impacts favorably on a better life quality of these populations.

Regarding the environment, in Mexico, the Company decided to remedy and promote the urban development of the site where the San Luis Potosi copper smelter formerly operated, which will generate a profit for the city. In Peru, we finished the last component of the Ilo smelter modernization project, by putting into service the maritime trestle to download directly onto ships at sea the sulfuric acid produced in this plant, avoiding crossing the city with the acid.

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

Chairman of the Board

OSCAR GONZALEZ ROCHA

President and Chief Executive Officer

XAVIER GARCIA DE QUEVEDO

President and Chief Executive Officer

SOUTHERN COPPER CORPORATION AND SUBSIDIARIES

Production Statistics

Five-year Production Statistics

	2010	2009	2008	2007	2006
Copper production Mines (tons)					
Mined Material (thousand)	398,953	355,727	343,762	406,059	409,625
Copper in concentrates	397,030	424,199	418,726	498,207	506,084
Copper SX/EW	81,497	61,177	70,203	93,976	99,575
Total Copper	478,527	485,376	488,929	592,183	605,559
Molybdenum in concentrates	20,519	18,687	16,390	16,208	11,837
Zinc in concentrates	99,194	110,430	106,920	121,013	136,592
Silver in concentrates (thousand ounces)	12,646	13,202	12,316	15,229	16,171
Smelter/refineries production					
Copper	429,899	505,088	497,494	465,005	588,986
Zinc	95,072	98,688	95,420	90,766	51,035
Silver (thousand ounces)	13,243	13,089	10,841	10,001	12,379
Toquepala					
Mined Material (thousand)	179,313	149,287	131,646	130,267	131,607
Copper in concentrates	131,518	127,125	114,147	140,868	151,775
Molybdenum in concentrates	4,828	3,598	4,667	6,228	5,813
Cuajone					
Mined Material (thousand)	126,144	117,939	118,054	116,438	112,410
Copper in concentrates	164,968	188,950	196,065	182,117	174,404
Molybdenum in concentrates	5,259	5,293	4,442	3,821	3,523
Fundicion/refinerias Peru					
SX/EW	37,938	37,961	38,799	36,670	35,805
Smelt concentrates	997,933	1,127,455	1,003,311	846,245	1,107,458
Blister produced	-	8,741	-	9,283	30,556
Anode produced	312,478	336,781	306,585	232,197	297,564
Cathode produced	255,505	262,220	248,742	178,397	273,299

	2010	2009	2008	2007	2006
Mexicana de Cobre - Caridad					
Mined Material (thousand)	84,163	85,491	85,739	80,819	46,606
Copper in concentrates	94,871	102,501	96,929	102,259	58,071
Molybdenum in concentrates	10,432	9,796	7,281	6,159	2,501
Buenavista					
Mined material (thousand)	6,439	-	4,820	74,672	114,595
Copper in concentrates	-	-	6,165	63,909	111,280
Smelter/Refineries in Mexico					
SX/EW	43,559	23,216	31,403	57,305	63,770
Smelt concentrates	416,730	465,992	574,573	684,806	723,984
Anode produced	116,534	139,652	171,912	202,708	240,673
Cathode produced	84,626	117,134	140,326	173,341	200,357
Rod produced	57,264	60,072	76,283	96,607	96,582
Underground Mines					
Contents in concentrates (tons)					
Zinc	99,194	110,430	106,920	121,013	136,592
Lead	20,240	22,492	20,445	19,382	19,081
Copper	5,673	5,623	5,420	9,054	10,555
Silver (thousand ounces)	6,549	6,778	6,366	8,272	9,276
Gold (thousand ounces)	5,023	3,136	2,789	4,174	4,484

SOUTHERN COPPER CORPORATION AND SUBSIDIARIES

Copper Reserves

The table below details our proven and probable copper and molybdenum reserves as estimated at December 31, 2010 calculated based on a copper price of $2.971 per pound and a molybdenum price of $18.587 per pound.

	PERUVIAN OPEN-PIT UNIT		MEXICAN OPEN-PIT UNIT		TOTAL OPEN-PIT INES	MEXICAN IMMSA UNIT	TOTAL RESERVAS
	Cuajone	Toquepala	Buenavista	La Caridad			
Mineral Reserves							
Metal prices:							
Copper ($/lb.)	2.971	2.971	2.971	2.971	2.971	2.971	
Molybdenum ($/lb.)	18.587	18.587	18.587	18.587	18.587	18.587	
Cut-off grade	0.149%	0.157%	0.114%	0.126%	0.131%		
Proven							
Sulfide ore reserves (kt)	1,195,706	2,822,600	4,647,837	3,699,834	12,365,977	18,104	
Average grade:							
Copper	0.559%	0.508%	0.398%	0.227%	0.387%	0.470%	
Molybdenum	0.019%	0.027%		0.028%	0.016%		
Lead						1.180%	
Zinc						2.830%	
Leachable material (kt)	10,374	388,423	1,320,057	267,858	1,986,712		
Leachable material grade	0.559%	0.143%	0.138%	0.200%	0.150%		
Probable							
Sulfide ore reserves (kt)	1,430,472	707,868	1,885,048	934,057	4,957,445	29,422	
Average grade:							
Copper	0.399%	0.311%	0.355%	0.198%	0.332%	0.510%	
Molybdenum	0.016%	0.008%		0.028%	0.011%		
Lead						0.800%	
Zinc						3.050%	
Leachable material (kt)	7,220	1,110,184	487,435	50,986	1,655,825		
Leachable material grade	0.357%	0.100%	0.118%	0.175%	0.109%		
Total							
Sulfide ore reserves (kt)	2,626,178	3,530,468	6,532,884	4,633,891	17,323,421	47,526	
Average grade:							
Copper	0.472%	0.468%	0.385%	0.221%	0.371%	0.495%	
Molybdenum	0.017%	0.023%		0.028%	0.015%		
Lead						0.945%	
Zinc						2.966%	
Leachable material (kt)	17,594	1,498,607	1,807,492	318,844	3,642,537		
Leachable material grade	0.476%	0.111%	0.133%	0.196%	0.131%		
Waste (kt))	6,456,790	11,048,815	6,904,373	2,799,636	27,209,614		
Total material (kt)	9,100,562	16,077,890	15,244,749	7,752,371	48,175,572	47,526	
Stripping ratio	2.47	3.55	1.33	0.67	1.78		
Leachable material							
Reserves in stock (kt)	17,289	1,168,584	711,412	597,977	2,495,262		
Average copper grade	0.509%	0.151%	0.124%	0.249%	0.169%		
In pit reserves:							
Proven (kt)	10,374	388,423	1,320,057	267,858	1,986,712		
Average copper grade	0.559%	0.143%	0.138%	0.200%	0.150%		
Probable (kt)	7,220	1,110,184	487,435	50,986	1,655,825		
Average copper grade	0.357%	0.100%	0.118%	0.175%	0.109%		
Total leachable reserves (kt)	34,883	2,667,191	2,518,904	916,821	6,137,799		
Average copper grade	0.493%	0.128%	0.131%	0.231%	0.147%		
Copper contained in ore reserves in pit (kt) (1)	12,479	18,186	27,556	10,866	69,087	235	69,322

kt = Thousand tons

(1) Copper contained in ore reserves for open-pit mines is (i) the product of sulfide ore reserves and the average copper grade proven plus (ii) the product of sulfide ore reserves and the average copper grade probable plus (iii) the product of in-pit leachable reserves and the average copper grade. Copper contained in ore reserves for underground mines is the product of sulfide ore reserves and the average copper grade.

SOUTHERN COPPER CORPORATION AND SUBSIDIARIES

Selected Financial and Statistical Data

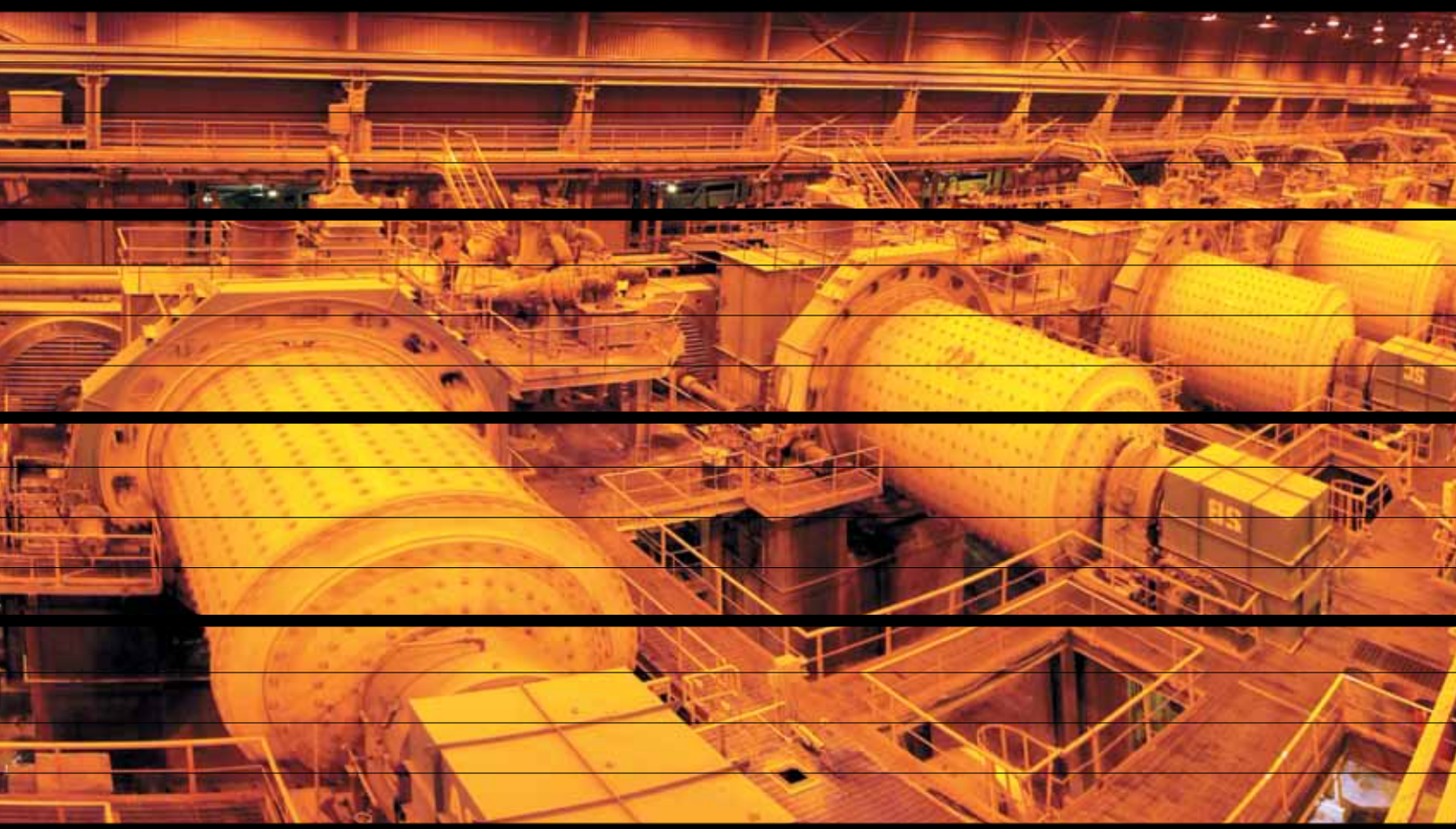
For the years ended December 31 (in millions except per share amounts, employee data and stock and financial ratios)

	2010	2009	2008	2007	2006
Consolidated Statement of earnings					
Net sales	$ 5,150	$ 3,734	$ 4,851	$ 6,086	$ 5,460
Operating costs and expenses	2,545	2,249	2,649	2,588	2,406
Operating income	2,604	1,485	2,202	3,497	3,054
Non-controlling interest of investments shares on Peruvian Branch Income	9	5	8	10	9
Net earnings attributable to SCC	$ 1,554	$ 929	$ 1,407	$ 2,216	$ 2,038
Per share amount (1)					
Net earnings attributable to SCC – basic and diluted	$ 1.83	$ 1.09	$ 1.60	$ 2.51	$ 2.31
Dividends paid	$ 1.68	$ 0.44	$ 1.94	$ 2.27	$ 1.71
Consolidated balance sheet					
Total assets	$ 8,128	$ 6,058	$ 5,764	$ 6,581	$ 6,376
Cash and cash equivalent	2,193	772	717	1,409	1,023
Total debt	2,760	1,280	1,290	1,450	1,528
Total equity	$ 3,910	$ 3,894	$ 3,395	$ 3,865	$ 3,681
Consolidated statement of cash flows					
Cash provided from operating activities	$ 1,921	$ 963	$ 1,728	$ 2,703	$ 2,059
Dividend paid	1,428	376	1,711	2,002	1,509
Capital expenditures	409	415	524	316	456
Depreciation & depletion	$ 323	$ 323	$ 327	$ 328	$ 275
Capital stock (1)					
Common shares outstanding (in millions)	850	850	854.9	883.4	883.4
NYSE price – high	$ 48.84	$ 36.40	$ 41.34	$ 47.12	$ 19.37
NYSE price – low	$ 26.19	$ 12.74	$ 9.19	$ 16.84	$ 11.55
Book value per share	$ 4.58	$ 4.56	$ 3.96	$ 4.36	$ 4.15
P/E ratio	26.66	30.12	10.03	14.05	7.79
Financial ratios					
Current assets to current liabilities	3.25	2.97	2.11	2.84	2.84
Net debt as % of capitalization (2)	12.7%	11.5%	14.4%	1.0%	12.1%
Employees (at year end)	11,126	11,510	11,494	12,268	12,225

(1)The number of shares and values per share has been adjusted to reflect the 2008 and the 2006 stock splits.
(2) Represents net debt divided by net debt plus equity. Net debt is total debt minus cash and cash equivalents balances.

Expansion and Modernization Program

As part of its five year investment program, in 2011, SCC has budgeted $1.7 billion in spending for the year, in Mexico is estimated to be $881 million and in Peru $862 million.



EXPANSION AND MODERNIZATION PROGRAM

We are committed to continuing the growth of our Company. In 2011 we will continue with our capital investment program. We have budgeted $1.7 billion in spending for the year. Spending in Mexico is estimated to be $881 million and in Peru $862 million. This investment is part of our five year capital investment program to increase production of copper and molybdenum. In general, the capital expenditures and investment projects described below are intended to increase production and/or decrease costs. Capital spending plans will continue to be reviewed and adjusted in response to changes in the economy or market conditions.

We expect to meet the cash requirements for these projects from cash on hand, internally generated funds and from additional external financing, if required.

Mexican operations

Buenavista SXEW plant III: In the second half of 2010, we restarted the project and in December 2010 we completed a review of the basic engineering. We have started the detailed engineering in January 2011 and, when completed, we will begin the acquisition of major equipment and construction of the plant and new infrastructure. The total budget for this project is $216 million, of which we have spent $1.9 million through December 31, 2010.

Crushing, conveying and spreading system ("Quebalix III"): In 2010 the project has also been restarted. We have almost completed the acquisition of the project equipment and will begin construction of the crusher building and the conveying

and spreading systems for the leachable ore. We expect a total investment of $70 million, of which we have spent $32.9 million through December 31, 2010.

Buenavista molybdenum plant: The basic engineering for the project is in process and we expect it to be completed during the first quarter of 2011. Further, we will complete the metallurgical testing and start the detailed engineering and the procurement of the main equipment.

Pilares project: The Pilares mine site is located close to the La Caridad mine and is being evaluated. As of December 31 2010, 13,700 meters of drilling have been performed, access roads developed and metallurgical testing and preliminary mine planning have begun.

Social programs for the Buenavista community are underway. The local hospital has been reconstructed, two new water wells for the community have been completed, as well as a street paving program, and the town library was provided with modern technology to improve reference search capabilities.

Peruvian Operations

Tia Maria project: This project located in the Peruvian region of Arequipa, is expected to produce about 260 million pounds of SXEW copper cathodes per year. In connection with obtaining approval of the environmental impact study ("EIA") of the project, additional information, including the use of sea water, was submitted to

the government. On December 1, 2010, MINEM approved a communication plan with new options to use to inform the details of EIA to the local communities. We completed the communication plan in January 2011, which included the opening of three information offices in the communities that would be mostly impacted by the project and we held four informative meetings with citizens of the local communities. In addition, advertisements explaining the project were placed in local newspapers as well as on local television and radio stations. On February 1, 2011, we filed a report with MINEM indicating full completion of the program. The observation and comment period for the local and community members and other stakeholders, including environmentalist and non-governmental organizations, expires on March 2, 2011 and we expect to receive approval of the EIA during the second quarter of 2011. Construction work is scheduled to begin in the second quarter of 2011 and copper production will start by the fourth quarter of 2012. Current investment in the project is focused on the development of engineering studies for the mine facilities and on the purchase of equipment for copper extraction processes. We estimate a total investment of $934.0 million of which $432.5 million was spent through December 31, 2010.

Toquepala concentrator expansion: Through 2010, we have spent a total of $123.1 million on the Toquepala concentrator expansion. The approval of the use of high pressure grinding rolls (HPGR) and wet screening at the tertiary crushing stage will reduce capital and operating cost. The scope of the project is currently under review as we are evaluating an increase in milling capacity to 60,000 tons per day from the 40,000 tons per day originally planned. As a result of this review, the EIA is expected to be presented during the second quarter of 2011 and the project start-up in the first half of 2013.

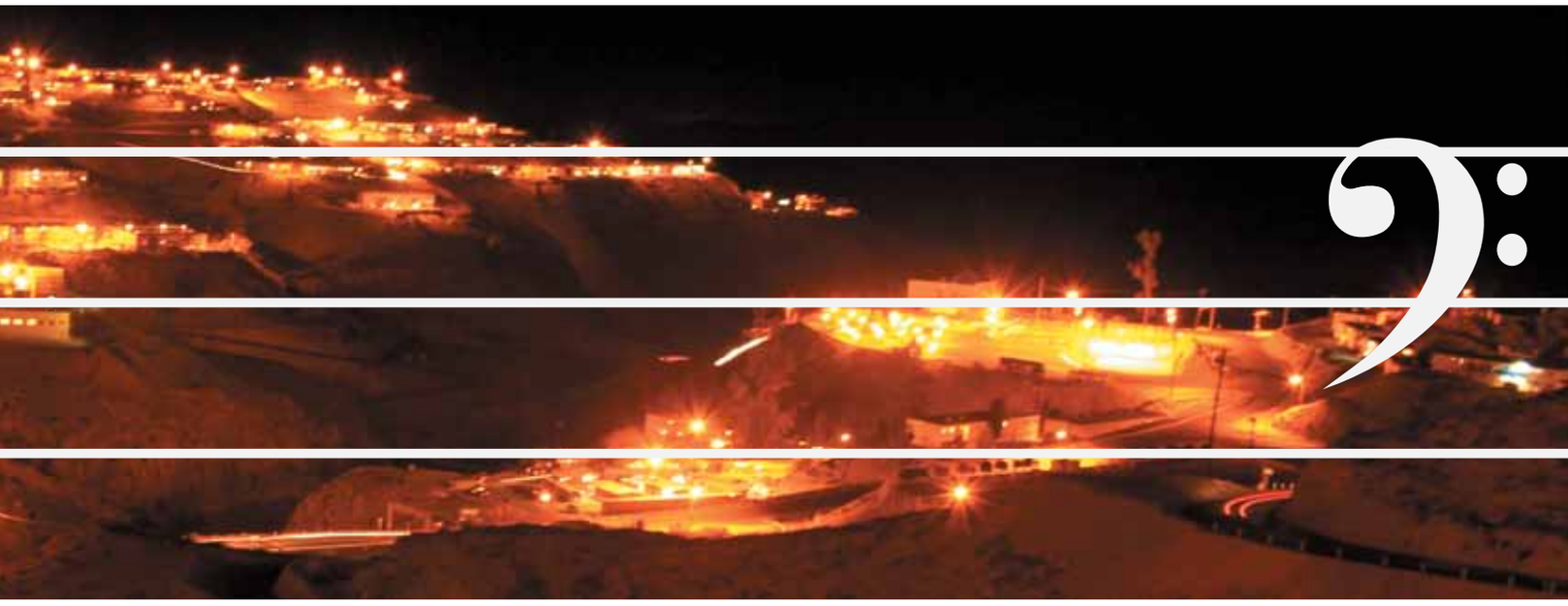
Cuajone concentrator expansion: This project will expand the concentrator to process 105,000 metric tons per day and has a total capital budget of $301 million, of which we have spent $41.3 million through December 31, 2010. Increased production from this expansion project will begin in the second half of 2011. The purchase of mine and auxiliary equipment to support the work to optimize the Cuajone mine plan is in progress. As part of the expansion plans, the project contemplates a variable cut-off grade methodology, which will increase copper and molybdenum production by a total of 147,000 tons and 3,000 tons, respectively, in the next 10 years.

Tailings disposal at Quebrada Honda: This project will increase the height of the existing Quebrada Honda dam to impound future tailings from the Toquepala and Cuajone mills and will extended the expected life of this tailings facility by 35 years. The first stage of the tailings disposal project was completed. Construction of the drainage system for the lateral dam started in June 2010. The project has a total cost of $66 million with $47.0 million expended through December 31, 2010.

Ilo smelter modernization: In May 2010, the Ilo smelter marine trestle, with a total cost of $25.3 million, started operation. We now offload directly to offshore ships the sulfuric acid produced at the Ilo smelter, avoiding hauling cargo through the city of Ilo. The 500 meter long marine trestle is the last component of the Ilo smelter modernization project.

OTHER CAPITAL EXPENDITURES

Tantahuatay: The construction of the Tantahuatay gold project, in which we have an 44.25% participation with Compania de Minas Buenaventura, has advanced and is expected to start dore gold production by June 2011. The project is expected to have



an average annual production of 90,000 ounces of gold and about 426,000 ounces of silver, for five years. It will require a total investment of $110 million. During 2011, we will continue to assess the underlying copper deposit for possible future development.

El Arco: El Arco is a world class copper deposit in the central part of the Baja California peninsula, with estimated mineralized material of over 1.0 billion tons with an ore grade of 0.51% and 14 grams of gold per ton. This project is expected to produce 190,000 tons of copper and 105,000 ounces of gold annually. We continue to invest in land acquisition required for the project. In 2010, the project feasibility study was completed at a cost of $15.0 million.

POTENTIAL PROJECTS

We have a number of projects that we may develop in the future. We evaluate new projects on the basis of our long-term corporate objectives, expected return, environmental needs, required investment and estimated production, among other considerations. All capital spending plans will continue to be reviewed and adjusted to respond to changes in the economy or market conditions.

Exploration

$34.3

million in exploration

El Arco, in 2010, a deep drilling program of 1,214 meters indicated approximately 390 million tons of mineralized material with 0.62% ore grade.

EXPLORATION

We are engaged in ongoing extensive exploration to locate additional ore bodies in Peru, Mexico and Chile. We also conduct exploration in the areas of our current mining operations. We invested $34.3 million in 2010, $24.6 million on exploration programs in 2009 and $37.0 million in 2008 and we expect to spend approximately $14.7 million in exploration expenditures in 2011.

Currently in Peru, we have direct control of 170,846 hectares of mineral rights. In Mexico, we currently hold 174,887 hectares of exploration concessions. We also currently hold 35,958 hectares of exploration concessions in Chile.

Mexican Operations

In addition to exploratory drilling programs at existing mines, we are currently conducting explorations 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 a copper deposit located in the state of Baja California in Mexico. Exploration works at the site indicate approximately 1,207 million tons of mineralized sulfide material with an average copper content of 0.5% and 0.125 grams of gold per ton and 290 million tons of copper oxide with a 0.35% copper grade. In 2010, a deep drilling program of 1,214 meters indicated approximately 390 million tons of mineralized material with 0.62% of copper content below the current pit limits. During 2011, we expect to increase the estimated mineralized material with a diamond drilling program of 5,000 meters.

Water source for the leaching operation was identified in 2009 and in 2010 four new production wells were drilled and confirmed an underground water availability of 300 liters per second in the area.

The feasibility study performed in 2010 was concluded and during 2011 we will evaluate the results to define the next steps of the project.

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 has mineralized material containing 0.16 grams of gold and 262 grams of silver per ton, with 0.79% lead, 0.97% copper and 3.5% zinc. In 2005, we received the approval for our environmental impact study and we are in the process of obtaining land use approval. During 2009 and 2010, we continued negotiating with the state of Michoacan, Mexico to purchase various properties essential to our operations. We expect to obtain a final agreement with state government in 2011. A prefeasibility study, commissioned in 2009, indicated that the Angangueo project needs to upgrade the Descubridora vein with more drilling. In 2010 we started the feasibility study that we expect to complete in 2011 to evaluate the construction of the project.

Buenavista-Zinc (formely named Buenavista). The Buenavista-Zinc site is located in the state of Sonora, Mexico and forms part of the Buenavista ore body. Drilling and metallurgical studies have shown that the zinc-copper deposit contains approximately 36 million tons of mineralized material containing 29 grams of silver per ton, 0.69% copper and 3.3% zinc. A new “scoping level” study indicates that Buenavista-Zinc may be an economic deposit. Due to the now settled labor strike at the Buenavista mine no work was performed from 2008 through 2010. In 2011 we expect to resume the project, complete the feasibility study and evaluate starting the initial stripping and the construction of the concentrator.

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 2010, 1,213 meters of diamond drilling were completed at the Rosita pit area and with this drilling, 10,100 tons of mineralized coal were added to the mineralized material estimates for this open pit project. In 2011 we plan to continue the exploration of the open pit coal project between the Conquista and La Caballada pits.

The Chalchihuites. The Chalchihuites site is located in the state of Zacatecas. It is a replacement 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 that a leaching precipitating-flotation recovery process can be applied to this ore. In 2009, we started a prefeasibility study which is expected to be completed by the end of 2011. In 2010 we signed an agreement for the Cronos claims and plan to add the Guadalupe de Guantes claim in early 2011. Exploration at these claims will be done in 2011 and is expected to add at least 10 million tons to the current mineralized material estimates.

Pilares. In 2008, we bought Freeport-McMoran's 49% interest in Minera Pilares, S.A. de C.V. ("Pilares"), giving us 100% ownership. Pilares is located in the state of Sonora, ten kilometers from the town of Nacozari de Garcia and six straight line kilometers from our La Caridad mine. The work to clear and prepare the access to the Porvenir tunnel started at the end of 2008 was suspended the same year due to unexpected difficulties in crossing a fault. It was replaced by superficial drilling. Calculations using Mine-Sight software indicated 52.9 million tons of estimated mineralized material, with 0.92% copper content. Because all previous mineralized material calculations were based on rotary drilling, a diamond drilling program of 13,200 meters was performed in 2010 which confirmed these estimates of mineralized material. A "heavy medium" metallurgical test was also conducted on core from this drilling. Preliminary results indicate that this method may be feasible for the Pilares ore. The feasibility study started in 2010 and we expect to complete it by the end of the second quarter 2011. As part of the feasibility study, we will perform metallurgical testing in a pilot plant to confirm the laboratory results.

Sierra de Lobos. This project is located southwest of the city of Leon, Guanajuato. Our target is to identify a copper and zinc deposit with mineralized material with average 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 economical deposit has not yet been identified. Due to the changes in our investment program priorities no work was performed in 2009 and 2010. We expect to resume the drilling work on this project in the second half of 2011.

Peruvian Operations

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 2010, 9,944 meters of diamond drilling were performed thus concluding the complementary studies geared to define the mineralized material of the deposit. Likewise, as part of the feasibility study, the geotechnical studies were concluded. The Company plans to conduct the feasibility study of the project in 2011.

Tantahuatay. The Tantahuatay project is located in department of Cajamarca in northern Peru. In 2010, we began development of this project to exploit the gold "cap." There are estimated resources of 27.1 million tons of mineralized material, with an average silver content of 13 grams per ton and 0.89 grams of gold per ton. We expect to start dore gold production by June 2011 and the project is expected to have an annual production of 90,000 ounces of gold and 425,000 ounces of silver for five years. We have a 44.25% participation in this project.

During 2011 we will continue to assess the underlying copper deposits for possible future development.

Other Peruvian Prospects

As part of the 2010 exploration program, we concluded a program of 8,000 meters of diamond drilling in the central coast of Peru and started the drilling work at the Huallas project located in the department of Ayacucho (a skarn of copper-lead-zinc) and at the Clara project (copper porphyry) located in the department of Arequipa, where the Company has a 15,000 meter diamond drilling program.

Additionally, for 2011 we are considering developing a diamond drilling program of approximately 10,000 meters for some prospects located in the northern and southern parts of Peru. We will continue with the regional exploration program of the various mineral deposits in Peru.

Chile

Ticnamar. The Ticnamar prospect, located in northern Chile, has been explored as a deposit with copper-molybdenum porphyric veins. In 2010, 1,431 meters of diamond drilling were completed. For 2011 we have planned geophysical studies geared to locate new drilling targets.

Catanave. Located in northern Chile (Arica), Catanave belongs to a mineralized epithermal system of gold and silver. In 2010, the environmental impact study was approved and for 2011 we have planned a diamond drilling program of 5,500 meters.

Santa Marta. Located in the Atacama region, Santa Marta is being explored for copper and molybdenum porphyry. During 2010 we diamond drilled 3,318 meters. Exploration will continue in 2011.

San Benito. Located in the Atacama region, San Benito is being explored for copper and molybdenum porphyry. In 2010 a diamond drilling program of 3,241 meters was completed. In 2011 we are planning geophysical studies geared towards locating new drilling targets.

El Salado y Resguardo de la Costa. During 2010 we evaluated the results of the exploration stage of these two copper-gold prospects located in northern Chile (Atacama area) and decided to put on hold temporally these prospects for further evaluation.

Other Chilean Prospects

For 2011 we plan to continue with a regional exploration program oriented to locate systems mainly of porphyrycs of copper and molybdenum.

Community Outreach

13,397 benefit

Thirty five educational infrastructure projects, and development of knowledge were considered benefit by 90% of the participants.

COMMUNITY OUTREACH

Mexican Operations

Southern Copper, through its subsidiary, Minera Mexico, develops various social action programs in the surrounding areas of its mining and metallurgical operations, such as:

San Luis Potosi Bicentennial Park

With an investment of $47.5 million, Minera Mexico built the 5.5 hectare Bicentennial Park. The Park has a sustainable design that includes irrigation from recycled waste water from a treatment plant constructed in 2009. The park also includes the latest generation lighting based on solar energy photovoltaic and leds, native vegetation and a water-saving drip irrigation system.

Support in natural disasters

In Angangueo, Michoacan, we participated in supporting plans to meet the emergency caused by the heavy rains of February, 2010. We also helped in the reconstruction phase. The assistance included providing food pantries, personal protective equipment, equipment for debris removal and the clean-up. We also provided units for the handling of food, fuel, and offices for the assistance of the community.

Pinacate

We built a square in the heart of Nacozari de Garcia, aiming to stimulate integration and healthy development of the population through education, culture, and recreation.

In all of the Company's business centers the consolidation of the community development centers was achieved. This strengthens human capital, creation of productive projects, drug addiction prevention programs, sports promotion and environmental, cultural and human development.

Participate for Cananea

“Participate for Cananea” is an ongoing initiative of the Company to stimulate Cananea’s economy and restore the population’s confidence after the depression caused by the prolonged period of labor strife.

"Participate for Cananea" consists of a two-year investment program for which the economic development of Cananea includes the participation of local suppliers. A community committee was formed with responsibility for monitoring the process and its transparency. The Casa de Encuentro, (the Meeting House) a community center, was created.

The program includes:

Thirty five educational infrastructure projects, consisting of the rehabilitation of sports, health, and recreational facilities; safety (floors, windows, perimeter fences); quality (ceiling, technology, and equipment) and development of knowledge (support to libraries). Beneficiaries are 13,397 people, including children, teachers, and their families. 90% of the participants consider that the projects benefit themselves, their families or their community. (The total population of Cananea is 33,000).

57 social development projects aimed at young people, children, women, suppliers, people with disabilities, elders, and other social groups. These projects generate community spaces for social gatherings, including cultural, sporting, environmental, recreational, strengthening of skills and leadership development, wellbeing, health, and social networking. They have benefited 11,380 people. The support of local suppliers was obtained and their economic contribution has benefited more than 40 businesses in the city to date.

The Cananea project seeks the generation of a new relationship between the Company and the community. During 2010, the Company committed to the State and Federal Government to perform a series of works in different industries, with the aim of contributing to the improvement of the city, sustainability of the community, and to the strengthening of current relationship of the Company with its inhabitants.

With an investment of approximately $0.6 million, five of the city's most important streets have been paved, which has provided the community with better channels of communication and transport. It also improves the access way to the Cananea Industrial Park.

To improve the drinking water supply for the city, Minera Mexico drilled two water wells that will be connected to the local drinking water system, to benefit the community because each of them contribute with a flow 80 liters per second.

Medical service. $0.8 million were invested for the remodeling the Cananea General Hospital. The improvements include a new drainage network, repairs of the electrical system, the heating and air conditioning equipment and carpentry and key locker work.

The library of Cananea was modernized with the installation of a new computer to provide a better service to the library users.

A new entertainment center is planned which will have four theaters each with seating for 120 people, commercial and food court areas as well as a mining museum. Land for the center has already been purchased.

To support the child population and provide a healthy space for recreation, the Company will rehabilitate the playground for basketball, will improve existing facilities and will completely reconstructe other areas.

Promoting the education of the Sonora population, the Company and the Becalos Foundation have awarded 120 scholarships in Cananea and 40 in the city of Nacozari.

The development of suppliers in the city is also very important for the development and economic recovery of Cananea and the surrounding region. For this reason, we plan to contract 30 companies to provide services and materials for the reconstruction of the mine. With this action, the Company is encouraging the stimulation of the economy and the improvement of the region.

COMMUNITY OUTREACH
Peruvian Operations

Southern Copper promotes sustainable development projects for Tacna, Moquegua, Arequipa, and Apurimac regions, located close to our operating areas, by means of voluntary contributions made through the “Asociacion Civil Ayuda del Cobre”, as part of the Mining Program of Solidarity with the People (“Programa Minero de Solidaridad con el Pueblo”), signed with the Peruvian government.

These projects are ongoing in co-participation with public and non-governmental organizations to achieve the best benefit for the surroundings localities, taking into account the legislation and the historical and cultural characteristics of each locality.

Southern Copper conducted the following programs and/or projects during 2010:

WATER RESOURCES

› Minor irrigation infrastructure work continued in partnership with the farmers from Candarave, with an investment of approximately $0.4 million. Also, we completed the enhancement of the Patapatani-Santa Cruz hydraulic canal with the lining of 5.75 kilometers, improving water resources by 70 liters per second; as well as the lining of 6.2 kilometers of the Tacalaya-Camilaca hydraulic channel. Also,

we rehabilitated the Santa Cruz reservoir, whose storage capacity is 17,280 cubic meters of water, optimizing water resources by 8 liters per second. The investment amounted approximately to $0.4 million.

› Through the "Asociacion Civil Ayuda del Cobre" and in agreement with the National University of Engineering (Universidad Nacional de Ingenieria – UNI) the Callazas dam's feasibility study is in process with an investment of $0.8 million. The study includes Component 1, the study of the dam and complementary works; Component 2, major infrastructure work for the transmission and distribution, irrigation and agricultural development; and Component 3, the study of the environmental and social impact of the Callazas river regulation system. The Company expects to invest approximately $1.3 million. This project will ensure optimal and rational use of water resources by storing 10 million cubic meters of water per year to be used during the low-water mark season.

› The program to improve the irrigation infrastructure in the Ilubaya Annex, located in Torata district (Moquegua region) was completed with an investment of $0.8 million to rehabilitate 4.9 kilometers of canals to benefit the farmers of that district. This work optimized the use of water resources by 8 liters per second. Also, the intake area was built to capture the Torata river water and send it efficiently to agricultural land.

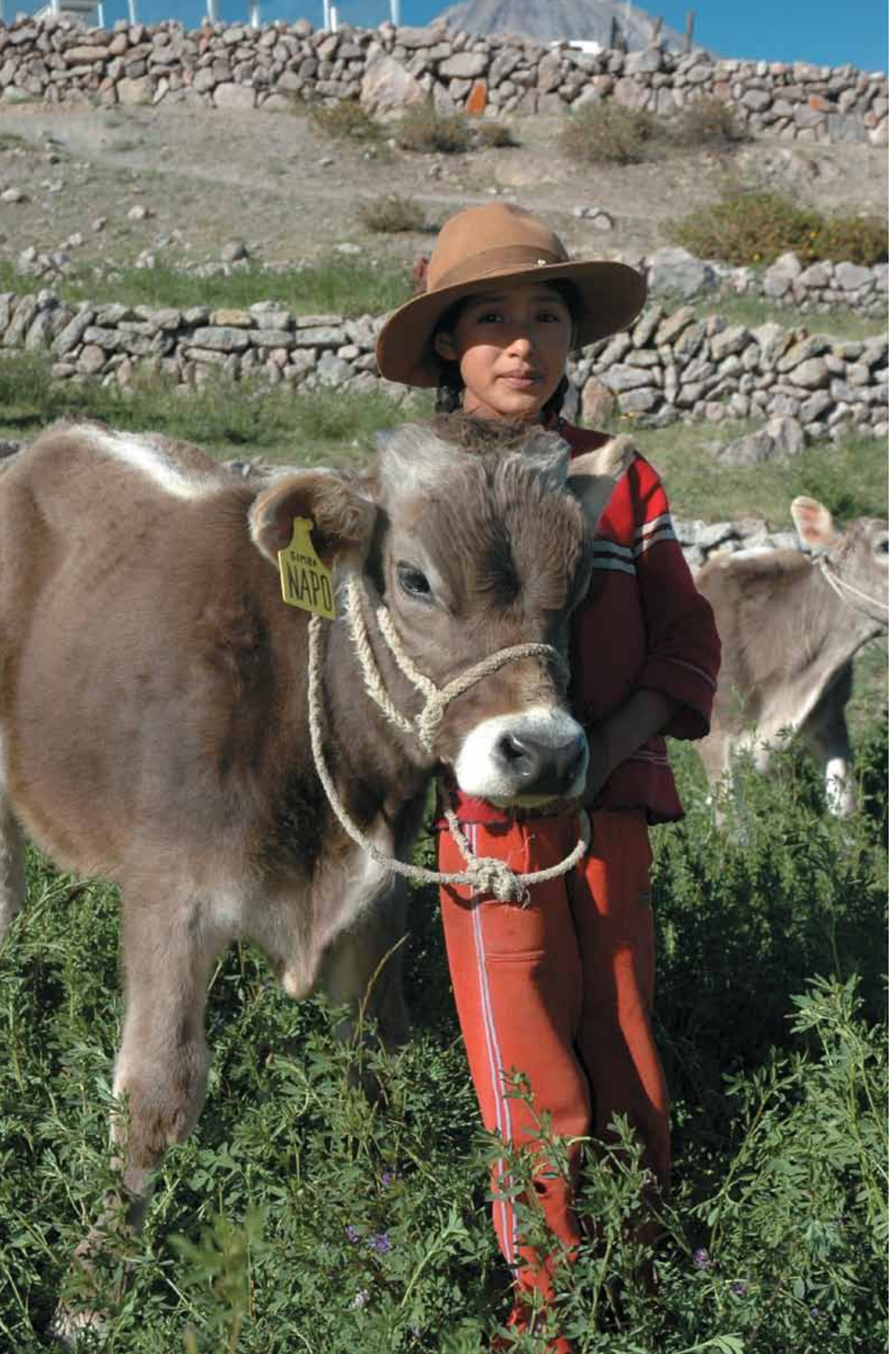
- Southern Peru, through the "Asociacion Civil Ayuda del Cobre" signed an agreement with the National Cooperation Fund for Development (FONCODES) for the improvement of water infrastructure and sanitation treatment plants, which will promote socioeconomic development in Candarave through construction and/or the rehabilitation of canals and reservoirs for agricultural use. By this agreement, the Company will invest approximately $0.7 million and FONCODES $2.8 million. This agreement also involves the Candarave, Cairani, Huanuara and Quillahuani municipalities.

- The profile of the pre-investment study for the construction of the Culajahuira dam and supplemental irrigation system were conducted to extend the water storage capacity of the regulatory reservoir of Culajahuira dam. The investment of approximately $0.1 million will have impact on the communities Camilaca and Candarave, as it will help to improve the quality and quantity of production of typical agricultural products in these areas.

Agronomy

- Oregano, main marketable crop in Candarave is being enhanced with the implementation of the extension of the project: Strengthening of the Competitiveness of Producers of oregano in Candarave Province, in partnership with the non-governmental organization "El Taller" from November 2010 to May 2011. This extension of the project will allow improved levels of productivity, as well as processing and marketing. The investment planned for this project amounts to $28,900.

- Ten producer associations of this aromatic species from the Cairani, Candarave, Huanuara and Quilahuani districts, who have a view to forming an organization to unify the production and market in order to obtain the benefit of size, has been involved. This initiative receives support from the Provincial Municipality of Candarave, who participates in the working meetings promoted by Southern Peru and the non-governmental organization "El Taller".


NAPO

- In Candarave the thyme crop continued. Thyme is a product used as a condiment and in the pharmaceutical industry. In agreement with the non-governmental organization “El Taller, a installation of a canola field, a seed that contains Omega 3 and Omega 6 and which produces vegetable oil, was successfully completed. Also rosemary, other aromatic herb, with local and international demand, is being developed.

- In addition, aiming to improve forage production and to increase the crops productivity in the area, the sowing of cereals (oats, corn and wheat) continued through the agreement signed with the Agricultural Development Foundation (Fundacion para el Desarrollo Agrario) and the National Fund for Job Training and Employment Promotion (FONDOEMPLEO). The main production areas are Aricota and Yucamani, where forage is marketed to the most part of the Candarave province.

- The implementation of the technical training and agricultural mechanization project, in Candarave, (Tacna region), allowed to have agricultural machinery in the service of farmers in the districts of Cairani, Huanuara and Quilahuani, who benefit in their work of preparing the soil for their crops with tractors donated last year by the Company.

- In the Torata district, there was the donation of a farm tractor plus a reversible disk plow to the board of irrigation users. The total value of the donated equipment amounts to approximately $0.1 million, which will allow reducing the current deficit of mechanization for the farmlands (1,491 hectares).

Stockbreeding

- The Climate Risk Prevention program continued helping with the cattle emergency, which was due to the shortage of forage in four districts of Candarave province. Attention was given to the cattle producers affected by the drought, through the delivery of packed hay of alfalfa and forage oats, grown in producing areas at low cost. This measure reduced the shortage of food for cattle and contributed to maintain productivity levels and avoided an excessive loss of cattle.

- The Animal Health program is one of the technical assists most demanded by livestock producers in 17 communities, located in the districts of Cairani, Candarave, Huanuara and Quilahuani, through personalize technical assistance to producers, using preventive medicines and treatment for diseases prevalent in the province. The average annual care amounts to 3,000 cases.

- The Genetic Improvement program for milk cattle and Hampshire sheep continues its activities in five communities in the District of Quilahuani, through its two breeding centers in the Aricota communities and Quilahuani, the capital of the district of the same name. There are services of artificial and natural insemination with Hampshire registered sheep, and Holstein and Brown Swiss cattle milk for artificial insemination with frozen semen, in agreement with the Quilahuani Municipality. The total investment of the project was $34,848.20. Similarly, in the districts of Huanuara and Cairani - under the same modality - two breeding centers have been implemented to provide services to livestock producers in the communities of those districts with an investment amount of $41,973.11.

- Promoting the efforts of the agricultural producers, agricultural fairs were supported in Aricota, province of Candarave, and in the district of Huanuara (in terms of organization, logistics and awards). Events included the exhibition of the best specimens of the various breeds of cattle, South American camelids, sheep and Peruvian Paso Horses, as well as the most representative agricultural products in the area.

- Selection of Alpaca with phenotypic and genotypic characteristics suitable for controlled mating assured Huaytire Alpaca farmers a new generation of 283 animals of greater economic value. Thus an alpaca in the area is valued in approximately $50, but the same improved animal costs approximately $250. The two controlled mating facilities built, along with the purchase of 42 improved male breeding alpacas, between 2008 and 2009, facilitated the implementation and use of the methodology, besides the collection of field information.

- Livestock fairs were supported in Tacalaya and Huaytire, where the best domestic specimens of South American camelids were shown, stimulating the participation of the main alpaca producers of the area and showing the benefits of controlled mating methodology.

Nutrition

- The successfully "Southern Forming Healthy Communities" (PRONUT) nutrition program, continued through the installation of improved stoves (EcoCocinas), that contribute to improve housing health and to prevent respiratory and gastrointestinal diseases, mainly in pregnant women and children under five years old.

- In the communities of Ancocala, Huanuara, Patapatani and Quilahuani, 433 clean stoves were distributed. These stoves have the quality certification of the National Service Training for Construction Industry. At the beginning of 2011, 267 stoves will be distributed increasing the total to 700 clean stoves with a total investment of $54,200, thus avoiding the carbon dioxide pollution from traditional fuel wood stoves.

- Twelve wawa wasis (temporary childcare hostels that support working mothers or families) were introduced under an inter-institutional agreement signed between Southern Peru and the Ministry of Women and Social Development (MIMDES), and the district municipalities of Huanuara and Quilahuani. In accordance with the

framework agreement, the Company participated with the amount of $34,114 from a total of $0.4 million, for equipment and extension of the premises of the wawa wasis.

Strengthening of Productive Capacities

- The Alpaca Genetic Improvement Project continues in the community of Huaytire, through the application of controlled mating methodology, getting 283 improved animals that benefit the textile production chain for alpaca in the highland community. For this purpose, 966 female alpacas at breeding stage were selected, qualifying because of phenotypic characteristics appropriate to race (shape, size, presence, general appearance, fiber density, presence of curls, consistency and fineness). The average of fiber microns in the selected female breeding alpacas was 23; also 21 male breeding alpacas from Puno were acquired, according to the above mentioned criteria, hose microns averaged 21.6 (thinner). Two controlled mating facilities for the application of the methodology were built.

- Veterinary technical assistance in Japopunco, Huaytire and Tacalaya continues, supporting the livestock development of South American camelids in the area.

- Additionally, the construction of the new facility for hat workshop production improvement project continues in the community of Tacalaya. It seeks to achieve the mass production of hats, fur fiber products and derivatives for their sale in local markets and abroad.

- Incentive to the best senior students of the town of Huaytire continues with scholarships of $1,400 for each beneficiary.

- The second phase of the agreement of the Project for Efficient Water Management Resources in Torata was completed. This project was carried out in co-participation with the Irrigation Commission of Torata (Moquegua region). This program

optimizes the management and use of water among farmers, as well as strengthens the institutional and administrative operation of the beneficiary board. The cost of the program in its second stage amounted to $29,100.

- One of the most outstanding results was the obtaining of 48.26% in the collection of water usage fees for the period 2009-2010, that mostly exceeds past records of 15% (2005), 34% (2007) and 65.16% (2008). This demonstrates the sustained growth of this sector in recent years thanks to the program. Also a final management index of 70.31 points was achieved by processing indicators on technological, operational and financial management capacity. This scale of measurement represents the quantification of results, to set more ambitious goals in the following steps.

- Also important were the organization of training programs and public dissemination, through publications and conferences, of “The New Water Resources Law" (No. 29338), which called the attention of farmers and settlers of Torata. Similar attention obtained the courses "Distribution of Water in Torata" and "Strengthening of Administrative and Financial Management Capacities” for the benefit of those farmers.

- Also to be mentioned are the internship granted to target users in the traditional Colca Valley, Arequipa Region, where they shared experiences with the Colca Valley Board of Users. Also there were irrigation practices in Torata Alta and Yacango, which result extremely useful and successful.

- With the same program resources, the people that collected information dealing with the Planting and Irrigation Plan of the Agricultural Campaign 2009-2010 were paid.(95% of users expressed their intention to work the land in this period).

- In addition, it has to be considered the installation of meters in calibrated sections of the canals Alegoma, Cala Cala, Chacane, Coplay, Ilubaya, and Torata Alta and Yarane,

- Based on these results, the third phase of the Capacity Development Program 2010-2011 was signed. The contribution of Southern Peru will amount to $24,600, aiming to consolidate the Board of Users strengthening it as an institution.

- Also, in Torata, the Agricultural House was put into operation, with a contribution of $20,800, through an agreement of co-partnership with the District Municipality of Torata and the Irrigation Board of Users of Torata. This project will provide farmers with agricultural products (pesticides, fertilizers) and cattle producers with medicine at low-cost, as well as will contribute to the economic strengthening of the Board with a new source of income.

Education

- A total of $4.2 million was used through 2010 in the Teacher Training Project for the benefit of the Moquegua Region. This project includes training of 2,902 teachers in information technology and curricular areas.

- By investing $0.4 million, 420 young people were trained in the province of Islay in specialties such as front-end loader operator, backhoe operator, port operator, monitor operator, industrial electricity operator, metal construction, planting and harvesting operator and shrimp harvesting.

- A total of $0.3 million was used in the project of Technical Training Association of Commissions of Users and Farmers of Tambo, in the province of Islay, Arequipa Region, allowing the equipment with agricultural machinery such as 1 backhoe, 1 excavator and 1 dump truck.

- The Technical Training and Agricultural Mechanization Project in Candarave (Tacna Region) allowed the donation of 3 tractors and an equal number of units with reversible plow system, with an investment of approximately $0.2 million, benefiting the Cairani, Huanuara and Quilahuani communities. The same project was applied to the province of Islay (Arequipa Region), with the donation of 1 tractor with reversible plow system ($65,000) for the farmers of the district of Punta de Bombon.

- A scholarship program started with the non-governmental Instituto Tecnologico – TECSUP. Beneficiaries are young people of the Province of Islay. The total program investment is $46,000.

- The delivery of computer equipment, school furniture, blackboards and libraries continued, and benefited 1,273 students, from 27 schools in the province of

Candarave (Tacna Region) and 1,937 students from 39 schools in the province of Mariscal Nieto (Moquegua Region).

- The National Program of Mobilization for Literacy was completed; it required a total investment of $23,100. The objective was to reduce the current rate of illiteracy of the adult population in six districts in the province of Islay (Arequipa Region), to promote their socio-economic development. The program benefited 443 illiterate persons and instructed 1,732 persons of the province, with the teaching of reading, writing and mathematics.

Health

- The Company, through the "Asociacion Civil Ayuda del Cobre", invested $0.2 million in the implementation of an integrated health campaign in the districts of Cocachacra, Punta de Bombon and Dean Valdivia, in the province of Islay (Arequipa Region). The campaign was carried out by the Catholic University Santa Maria of Arequipa (Universidad Catolica Santa Maria de Arequipa - UCSM), and served 1,080 people of the 3 above mentioned districts.

Infrastructure

- The roads were asphalted and the sidewalks culminated in Pueblo Nuevo (district of Pacocha, Ilo province) with the construction of flexible pavement in an area of 37,766.17 square meters with horizontal signaling, concrete works (rowlocks,

retaining walls, sidewalks); an improvement of 631.07 square meters of asphalted roads (including repaving), as well as reconstruction, improvement and rethinking of the electrical system within the urban area. The investment totaled $2.7 million.

- The feasibility study for the improvement of the Ilabaya-Cambaya-Camilaca road, whose two sections total 41.7 kilometers of widening, burdened, surface treatment and berms, started. Also it will include the construction work for the stabilization of slopes with an investment of $0.5 million.

- We extended our social contribution to the Apurimac region, where the Company is development the Los Chancas project. Three classrooms of elementary education were built in the Ccoriray School, in the district of Tapayrihua, Apurimac. The construction with noble material, reinforced concrete, masonry and first line finish will contribute to the development of abilities of pupils and teachers of the place and 200 beneficiaries in the jurisdiction. The investment was $0.1 million.

Southern Copper promotes better quality of life in communities located in its neighboring communities through the “Asociacion Civil Ayuda del Cobre”, which manages and invests the funds of the voluntary contribution in social projects of sustainable development. During 2010, the Company constituted a Local Fund of $12.1 million and a Regional Fund of $46.3 million, for the benefit of the regions of Tacna, Moquegua, Arequipa and Apurimac.

Table Nº 01

FUNDS SET

ANNUAL AMOUNTS DEPOSITED ($,000)

Period	Regional Fund	Local Fund	Comision de la Verdad (CVR)	Total Funds
2007	12,741.10	3,318.00	530.88	16,589.98
2008	14,071.65	3,664.49	586.32	18,322.45
2009	9,798.23	2,551.62	408.26	12,758.11
2010	7,153.89	1,862.99	298.08	9,314.96
TOTAL	43,764.87	11,397.10	1,823.54	56,985.50

Source: Asociacion Civil Ayuda de Cobre (ACAC)

Results of Operations

$5,149.5

million net sales in 2010

Net sales in 2010 were $5,149.5 million, compared with $3,734.3 million in 2009. The increase was principally a result of higher average metal prices and higher molybdenum sales volume.

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

	2010	2009	2008
			(cents per pound)
Cash cost per pound of copper produced	16.80	35.8	21.8
Cash cost per pound of copper produced, (excluding by-products revenue)	150.9	135.9	157.1

RESULTS OF OPERATIONS

for the years ended December 31, 2010, 2009 and 2008.

SCC reported 2010 net income attributable to SCC of $1,554.0 million or diluted earnings per share of $1.83, compared with net income attributable to SCC of $929.4 million or diluted earnings per share of $1.09 in 2009, $1,406.6 million or diluted earnings per share of $1.60 in 2008.

The increase in 2010 net income attributable to SCC, is mainly due to higher metal prices and higher volume of molybdenum sales.

The increase in metal prices was a result of improvements in the global economy and in copper case was helped by increased demand from China. During 2010, average copper price was $3.42 per pound, compared with $2.34 per pound in 2009.

The Company presents its operating costs both including and excluding the revenues of its byproducts (molybdenum, silver, zinc, etc.) and net revenue on sale of purchased concentrates. Excluded from its calculation of operating cash cost are the cost of purchases of third parties metal, depreciation, amortization and depletion, exploration, workers participation provisions and other items of non-recurring nature, and the royalty charges.

As seen on the chart above, our cash cost per pound for 2010 when calculated with by-products revenue is 16.8 cents per pound compared with 35.8 cents per

pound in 2009. The increase in the by-products credit in the 2010 period was largely due to higher sales prices for molybdenum, silver and zinc and a record molybdenum production in 2010. The increase in the credit for molybdenum was 29.0 cents per pound in 2010, of which 19.0 cents was due to the higher prices.

Our per pound cash cost, excluding by-product revenues, was higher by 15.0 cents per pound in 2010 compared with 2009 principally due to a increase of 13.5 cents per pound in production cost mainly power and fuel cost due to increased market prices, labor due to salary increases, local currency appreciation and repair costs.

Net sales: Net sales in 2010 were $5,149.5 million, compared with $3,734.3 million in 2009. The increase was principally a result of higher average metal prices and higher molybdenum sales volume.

Molybdenum sales volume increased 10.3%, following a production record in 2010 due primarily to grade and recovery increases at the La Caridad and Toquepala mines.

The increase in metal prices was a result of improvements in the global economy and, in the case of copper, was helped by increased demand from China.

Price / volume data	2010	2009	2008
Average metal prices			
Copper (per pound – LME)	$ 3.42	$ 2.34	$ 3.16
Copper (per pound – COMEX)	$ 3.43	$ 2.35	$ 3.13
Molybdenum (per pound)	$ 15.66	$ 10.91	$ 28.42
Zinc (per pound – LME)	$ 0.98	$ 0.75	$ 0.85
Silver (per ounce – COMEX)	$ 20.18	$ 14.67	$ 14.97

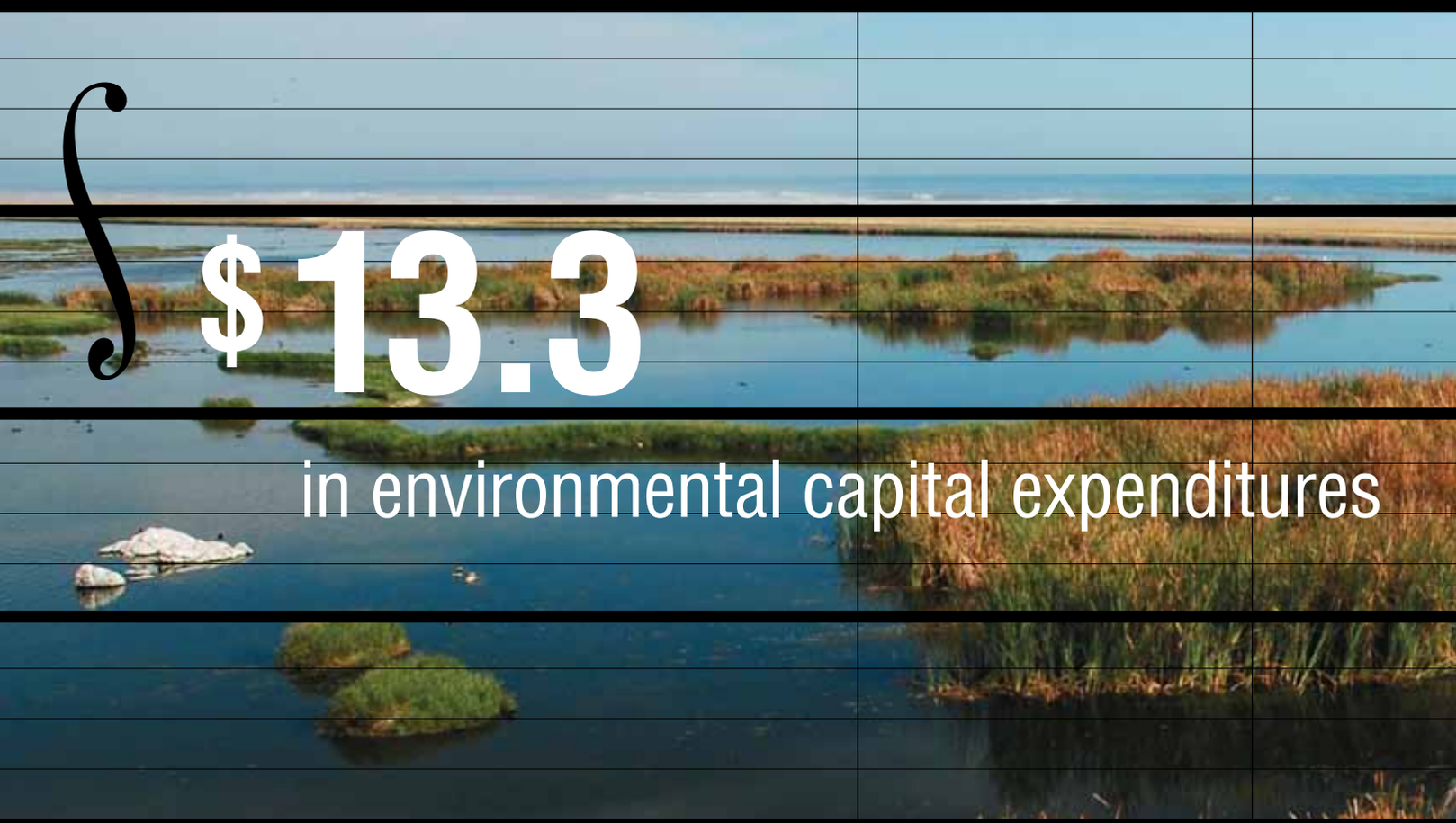
Sales volume (in thousands)	2010	2009	2008
Copper (pounds)	1,106,067	1,117,774	1,114,521
Molybdenum (pounds) [1]	45,213	40,984	36,396
Zinc (pounds)	207,151	228,927	221,161
Silver (ounces)	15,450	18,169	15,000

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

Net sales in 2010 include a loss of $41.9 million on copper hedges. There was no copper derivative activity in 2009.

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.

Environmental Matters



$13.3

in environmental capital expenditures

The Company has instituted extensive environmental conservation programs at its mining facilities in Mexico and Peru. In 2010, SCC invested $10.2 million in Mexico y $3.1 million in Peru.

Environmental capital expenditures in the year 2010, 2009 and 2008 were as follows (in millions):

	2010	2009	2008
Peruvian operations	$ 3.1	$ 2.4	$ 0.5
Mexican operations	10.2	25.1	13.1
	$ 13.3	$ 27.5	$ 13.6

ENVIRONMENTAL MATTERS

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

The principal legislation applicable to the Company's Mexican operations is the Federal General Law of Ecological Balance and Environmental Protection (the "General Law"), 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 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 in recent years , and this trend is likely to continue and has been influenced by the environmental treaty entered into by Mexico, the United States and Canada in connection with NAFTA in 1999.

In relation the aforementioned, on January 28, 2011, Article 180 of the General Law was amended. This amendment gives an individual or entity the ability to contest administrative acts, including environmental authorizations, permits or concessions granted, without the need to demonstrate the actual existence of harm to the environment, natural resources, flora, fauna or human health, because it will be sufficient to argue that the harm may be caused.

As a result of the amendment, more legal actions supported or sponsored by non-governmental groups, interested in halting projects, and not necessarily in protecting the rights of affected communities may be filed against companies operating in all industrial sectors, including the mining sector.

Another initiative that has not entered into force, but is being analyzed by the Chamber of Deputies is the one related to amendments to the Civil Federal Procedures Code (CFPC). This initiative consists of establishing three categories of collective actions, by means of which 30 or more people claiming injury derived from environmental, consumer protection, financial services and economic competition issues will be considered to be sufficient in order to have a legitimate interest to seek through a civil procedure restitution or economic compensation or suspension of the activities from which the alleged injury derived. The initiative is expected to be approved by the Chamber of Deputies this year and the related provisions to enter into force six months afterward. The amendments to the CFPC may result in more litigation with plaintiffs seeking remedies, including suspension of the activities alleged to cause harm.

On March 16, 2010, the Company announced to the Mexican federal environmental authorities the closure of the copper smelter plant at San Luis Potosi. The Company has initiated a program for plant demolition and soil remediation with a budget of $35.7 million, of which the Company has spent $7.1 million as of December 31, 2010. The Company expects to remediate the site and promote an urban development to generate a net gain in the disposal of the property.

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 the above mentioned or future laws and regulations would not have a material adverse effect on the Company's business, properties, results of operations, financial condition or prospects. 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.

SCC programs on the Environment and Ecology

The program undertaken with the Federal Bureau of Environmental Protection was strengthened ending the year with 14 Certifications and Corrections as a Clean Industry; therefore, we did not have non-compliance reports with the environmental authorities. Also, the Company had an important participation in the development and/or modification of the environmental regulations applicable to mining.

We continued with a harmonious relationship with the personnel of the natural protected areas close to our operations, Mariposa Monarca, Ajos-Bavispe, Alamos-Cuchujaqui, Valle de los Cirios y Vizcaino.

The equivalent to reforesting 900 hectares, 1'679, 000 trees, was produced and planted; the trend of production in our nursery is to increase our production of trees 15% additionally every year.

Our participation in environmental education at schools, communities, and our plants has also increased significantly, including forums, seminars and mining environmental events.

Minera Mexico's presence in the environmental programs of several Chambers of Commerce, associations and committees has been remarkable and highly participatory, including bi-national committees as Frontera 2012.

It started the Project for the Disposal and Appropriate Control of Tailings generated by the copper and arsenic plants in San Luis Potosi, according to legal regulations. Certified leader auditors are conducting certification ISO-14000 in the plants, considered as the challenge of 2011.

For the sixth consecutive year, the Greenhouse Gas Generation inventory and its reduction programs were presented.

Recycling PET, paper, and paperboard programs were recognized by the Environment Secretariat; the profit is donated to social benefit institutions.

Peruvian Operations

The Company's operations are subject to applicable Peruvian environmental laws and regulations. The Peruvian government, through the Environmental Ministry 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.

Peruvian law requires that companies in the mining industry provide for future closure and remediation. In accordance with the requirements of this law the Company's closure plans were approved by the Peruvian Ministry of Energy and Mines ("MINEM"). As part of the closure plans, commencing in January 2010 the Company is required to provide annual guarantees of $2.6 million over a 34 year period to furnish the funds for the asset retirement obligation. In the near-term future the Company has pledged the value of its Lima office complex as support for this obligation. The accepted value of the Lima office building, for this purpose, is $17 million.

In 2009, the Company adjusted its original asset retirement obligation the liability established in the mine closure plans. In 2010, the closure plan for the new marine trestle for the sulfuric acid shippment was added to the asset retirement obligation.

The closure cost recognized for this liability includes the cost, as outlined in its closure plans, of dismantling the Toquepala and Cuajone concentrators, the

smelter and refinery in Ilo, and the shops and auxiliary facilities at the three units.

The process for the obtaining the approval of the Environmental Impact Assessment ("EIA") of the Tia Maria project, located in the Arequipa region, continues. , additional information, including the use of sea water, was submitted to the government. On December 1, 2010, MINEM approved a communication plan with new options to use to inform the details of EIA to the local communities. We completed the communication plan in January 2011, which included the opening of three information offices in the communities that would be mostly impacted by the project and we held four informative meetings with citizens of the local communities. In addition, advertisements explaining the project were placed in local newspapers, as well as on local television and radio stations. On February 1, 2011, we filed a report with MINEM indicating full completion of the program. The observation and comment period for the local and community members and other stakeholders, including environmentalist and non-governmental organizations, expires on March 2, 2011 and we expect to receive approval of the EIA by the end of April 2011. Construction work is scheduled to begin in the second quarter of 2011 and copper production is expected to start by the fourth quarter of 2012.

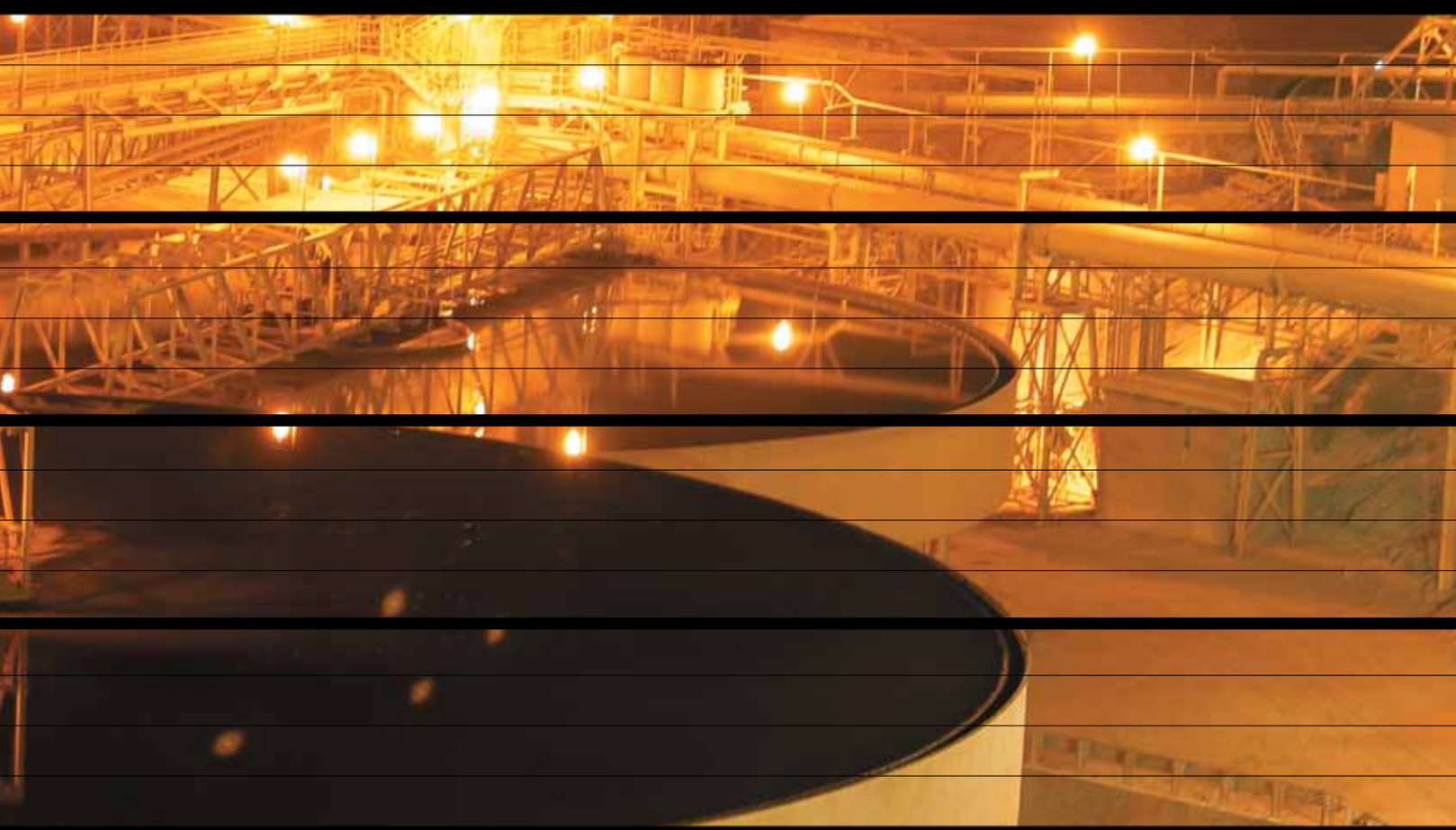
In addition, the Company has started the EIA for the Toquepala concentrator expansión.

General Information

1.237

common shares of AMC for each of SCC

AMC, offering to effect an all-stock business combination of Southern Copper and AMC, in which all stockholders of Southern Copper would receive 1.237 common shares of AMC.



GENERAL INFORMATION

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

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 860 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.

See: “Brief historical review from the constitution of the Company” on page 75.

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. Buenavista del Cobre S.A. de C.V., formerly named Mexicana de Cananea S.A. de C.V. through December 11, 2010, (together with its subsidiaries, the “Buenavista unit”) operates 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 a zinc refinery.

We utilize modern/state of the art 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”) AMC.

	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
	RAILROAD ACTIVITIES			
3	Infraestructura y Transportes Mexico, S.A. de C. V.	Mexico		100
	MINING ACTIVITIES			
4	Americas Mining Corporation (“AMC”)	EE.UU.		99.99
5	Southern Copper Corporation (SCC)	EE.UU.	√	80.0
6	Americas Sales Company, Inc.	EE.UU.		100
7	Minera Mexico, S. A. de C. V.	Mexico		99.95
8	Industrial Minera Mexico, S.A. de C. V.	Mexico		99.99
9	Buenavista del Cobre, 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
12	Southern Peru Copper Corporation, Agencia en Chile	Chile		100
13	Southern Peru Copper Corporation, Sucursal del Peru	Peru	√	99.29[1]
14	Compañia Minera Los Tolmos, S.A.	Peru		97.3

Note:

1. Includes 82.69% of patrimony and 16.60% of Investment 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	680,000,000	80.0%
Common Shares	170,000,000	20.0%
Total	850,000,000	100.0%

Authorizations Obtained for the Development of the Business

Operations in Mexico

Caridad Mine

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

"Molybdenum Plant" started operations in 1982, with a production capacity of 2,000 tons of copper-molybdenum concentrate per day.

"La Caridad SX-EW" started operation in 1995 and has a daily production capacity of 60 tons of copper cathodes. Approximately 602.3 million tons of leach ore with an average grade of approximately 0.208% copper have been extracted from the La Caridad open-pit mine and deposited in leaching dumps from May 1995 to December 31, 2010.

La Caridad Metallurgic Complex

La Caridad Smelter started operations in July, 1986, with a production capacity of 493 tons of anode per day and was expanded to 822 tons in March, 1997.

"La Caridad Refinery" started operations 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 operations 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 March1999.

Buenavista Mine

"Buenavista 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.

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

"Buenavista 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 has milling capacity of 5,800 tons of ore per day.
2. The Santa Eulalia Unit has a milling capacity of 1,450 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 4,100 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 105,000 tons of coke per year.
7. The Zinc Refinery has capacity to produce 288 tons of refined zinc per day.

Peruvian Operations

Toquepala

1. Toquepala Concentrator. 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 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 Tons/Day throughput.

Based on Report N° 547-2002-EM/DGM/DPDM, dated November 6, 2002, the "Director General de Mineria" authorized the expansion of the Toquepala Concentrator to a capacity of 60,000 TM/Day.

2. Toquepala Leaching Plant (SX/EW). 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 construction and expansion of Toquepala SX/EW plant to 18,737 tons/day throughput. Directoral Resolution dated May 19, 2003, based on Report No. 291-2003-EM-DGM/DPDM, authorized operation of the SX/EW plant to a throughput of 18,737 tons/day.

Cuajone

1. Botiflaca Concentrator in Cuajone: Directorial Resolution No. 150-81-EM/DCM dated August 14, 1981 approved the operation of Botiflaca 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 Botiflaca Concentrator to 87,000 tons/day throughput.

   Resolution N° 379-2010-MEM-DGM/V dated October 7, 2010, based on Report N°312-2010-MEM-DGM-DTM/PB, authorized construction and expansion of Botiflaca Concentrator to 90,000 tons/day throughput.

2. Cuajone Leaching Plant (LX/EW). 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. Based on Report No. 988-2009-MEM-DGM/V, dated December 16, 2009, Cuajone SX plant operation was approved and authorized the of the, with a capacity of 3100 tons/day.

Ilo

1. Ilo Smelter: Authorized (definitely) by Directorial Resolution No. 078-69-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 tons/day throughput of copper concentrates.

   On February 4, 2010, the Company began the process to obtain authorization from the MINEM to operate a capacity of 3,770 tons/day, which is included as an ancillary facility to Acid Plant No. 2, with a capacity of 2,880 tons /day or 1,051, 200 tons/year.

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 tons/day throughput of blister copper.

   Based on Report No. 506-97-EM/DGM/DPDM dated September 2, 1998 the "Director General de Mineria" authorized the expansion of Ilo Copper Refinery to a capacity of 658 tons/day throughput.

   Based on Report N° 080-2002-EM-DGM/DPDM, dated March 14, 2002, the "Director General de Mineria" authorized the expansion of the Ilo Copper Refinery to a capacity of 800 tons/day.

   Resolution N°520-2010-MEM-DGM/V dated December 30, 2010, based on Report N° N°414-2010-MEM-DGM-DTM/PB, authorized changes in Ilo copper refinery without expanded its capacity throughput.

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 150,000 tons/Year.

Based on Report No. 313-98-EM/DGM/DPDM dated May 21, 1998 the “Director General de Mineria", authorized the expansion of the Ilo Sulfuric Acid Plant to a capacity of 300,000 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 95 TC/h of raw material (coquina) recovered from nearby mines. Seashell is produced separating sand and other materials from the coquina using sea water washing screens.

   Resolution N°038-2011-MEM-DGM-DTM/PB dated February 2, 2011, based on Report N°035-2011-MEM-DGM-DTM/PB, authorized modification in the concession of “Coquina Wash Plant and Sea shell Concentrates” to a classified dry sea shell plant without expanded its capacity throughput, which represents 2,068 tons/day.

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 Investment Shares (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, former 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 by 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. During 2009, the Company bought 4.9 million common shares by $71.9 million. 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 SCC

In 2008 and 2009 Grupo Mexico, through its wholly owned subsidiary AMC, purchased 11.8 million and 4.9 million shares of the Company's common Stock, respectively. With this purchase and the Company's repurchase of shares described above, the indirect ownership of Grupo Mexico increased to 80.0% at December 31, 2010 and remained at December 31, 2010.

Americas Mining Corporation Business Combination Proposal

On July 22, 2010, we received a non-binding proposal from our parent company, AMC, offering to effect an all-stock business combination of Southern Copper and AMC, the parent company of Asarco, LLC ("Asarco"), in which all stockholders of Southern Copper would receive 1.237 common shares of AMC in exchange for each share of SCC. Under the proposal presented by AMC the stock of AMC would be registered and listed on the New York, Mexico and the Lima stock exchanges. Once the listing and registration of the AMC shares are completed, SCC's shares would be delisted from the exchanges.

In August 2010, we formed a special committee of independent directors to evaluate AMC's proposal. The special committee has engaged independent legal, financial and technical advisors to assist in the evaluation. There is no specific deadline to complete this evaluation.

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 its affiliates) have, rounding up to the following integer 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 two directors (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 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.

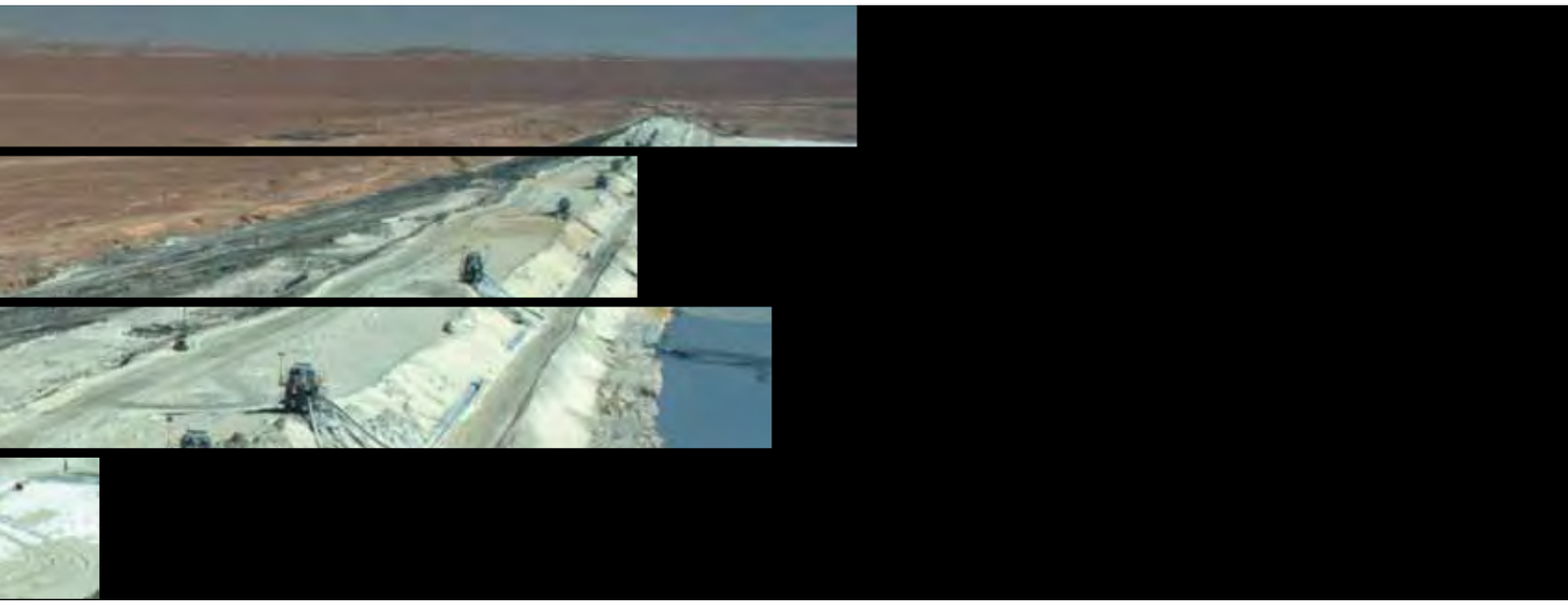
Transactions with affiliates:

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 80.0% of SCC shares.

Information about plans and investment policies:

See Expansion and Modernization Program on page 10.

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

Southern Copper is pleased to inform that its subsidiary, Minera Mexico, has become the only mining company certified on OHSAS 18001: 2007.

OHSAS 18001: 2007 is an internationally accepted specification that defines the requirements for the setting up, implementation, and operation of an effective Management System on Safety and Health.

Currently, 10 business units of Minera Mexico (Santa Barbara, Santa Eulalia, Planta Nueva Rosita, Taller Central, Charcas, La Caridad, Complejo Metalurgico, Planta de Cal, Terminal Guaymas y Refineria de Zinc) have such certification endorsed by the companies: British Standard Inc. Lloyds Quality Assurance Register, and SGS.

Self Safety and Health Program at Work of the Labor and Social Insurance Secretariat, known by its Spanish acronym PASST.

This program, managed by the Labor and Social Insurance Secretariat, allows advice for the establishment of safety and health management systems, assessment of safety and health management systems, identification of the Mexican official standards applicable to each business units and the evaluation of compliance with Mexican regulations on safety and health.

During 2010, Minera Mexico acquired the voluntary commitment of joining the program 10 of its business units, 4 of which have obtained the certification at first level (Chacras, Planta de Zinc, Planta Nueva Rosita, Complejo Metalurgico) and the remaining are in process of obtaining this document.

Awards

During the XI Crews Rescue Miner 2010 National Competition, organized by the

Mexico Mining Camera (CAMIMEX), Santa Barbara unit won the first place in the "Underground Rescue Miner" test and the second in the test "Bio marine" test.

Award to Planta de Nueva Rosita as safe company

In April 2010, Planta de Nueva Rosita obtained the recognition of "Safe Company" from the Labor and Social Insurance Secretariat by having distinguished in compliance with regulations on safety and health at work.

Peruvian Operations

The Safety and Health results in 2010, for the open pit mining operations in Toquepala and Cuajone mines, metallurgical operations in Ilo Unit, which includes a smelter and refinery plants, were as follows: Frequency Index 2.2, Severity Index 759.1 and Accidentability rate 1.7; these indicators correspond to 20 lost time accidents and a fatal accident was registered I Cuajone mine. The Ilo Unit received in 2010, for the third year consequently, the "John T. Ryan" Award from MSA, offered to the best security indicators in smelters & refineries category in Peru.

GENERIC DESCRIPTION OF MAIN ASSETS

MEXICAN OPERATIONS

BUENAVISTA

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

2. The Buenavista 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, one expert control system, 5 mills for regrinding, 103 primary flotation cells, 10 column cells, 70 exhaustion flotation cells, 7 thickeners, 3 ceramic filters. In addition, the facility has 48 wells and a pumping station for fresh water supply, a tailings dam and reclaims water pumping station.

3. Major Buenavista mine equipment includes 43 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 30 to 70 cubic yards.

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

6. In the Solvents Extraction and Electro winning (SXEW) I and II Plants of Buenavista, The N°1 crushing system has a capacity of 32,000 tons per day, and includes an apron feeder, a conveyor belt feeder, 8-Converyor Belt systems and a distributing bar.

7. Crushing system No.2 has a capacity of 48,000 tons per day and includes one crusher, a conveyor belt feeder, four conveyor belts and a distributing bar. There are 3 irrigation systems for the dumps and eleven dams for the pregnant leach solutions (PLS). Plant I has four solvent extraction tanks with a nominal capacity of 16,000 liters per minute 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 55,000 liters per minute 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 the Buenavista unit's production of copper cathodes with two new SXEW plant, (SXEW III and SXEW IV), each of them with an annual capacity of 44,000 tons. The plants would produce copper cathodes of ASTM grade 1 or LME grade A. In the second half of 2010, we restarted the project and in December 2010 we completed a review of the basic engineering. We have started the detailed engineering in January 2011 and, when completed, we will begin the acquisition of major equipment and construction of the plant and new infrastructure.

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 has a milling capacity of 90,000 tons per day and consists of two primary crushers, six secondary crushers, twelve tertiary crushers, twelve ball mills, a master milling control system, 100 primary flotation cells, four re-grinding mills, 96 cleaning flotation cells, twelve thickeners and six drum filters.

   Major mine equipment includes twenty-seven trucks for ore hauling with capacity of 240 tons, six shovels with a capacity of 43 cubic yard. Loading and auxiliary equipment include six drillers, five front loaders, three motorgraders and eighteen tractors.

   Approximately 602.3 million tons of leaching ore with an average grade of approximately 0.208% copper have been extracted from the La Caridad open-pit mine and deposited in leaching dumps from May 1995 to December 31, 2010. 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 SXEW 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 SXEW facility has an annual capacity of 21,900 tons of copper cathodes.

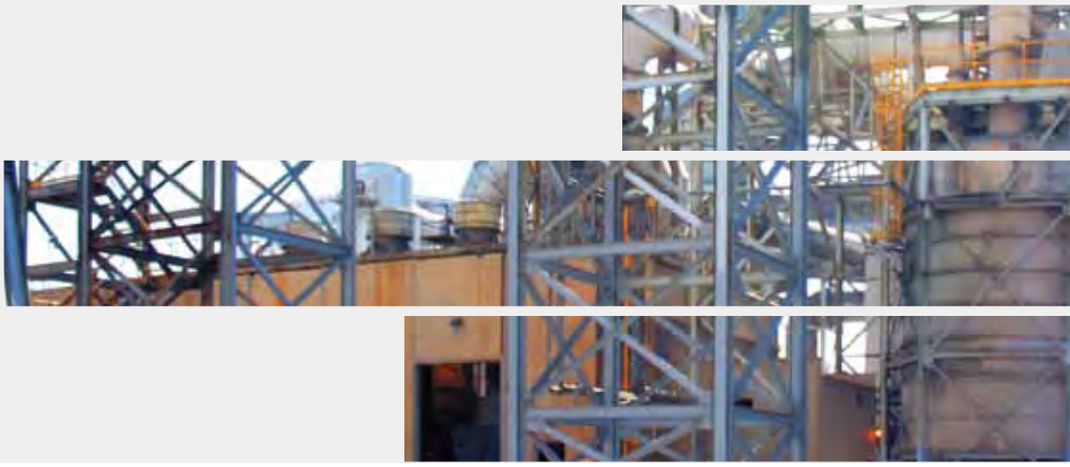
3. The La Caridad SX-EW plant has nine irrigation systems for the dumps and two PLS dams, a container of heads that permits the combination of the solutions of both

dams and feeds the SX/EW plant with a more homogenous concentration. The plant has three 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.

LA CARIDAD METALLURGIC FACILITIES

Copper concentrates from Buenavista, Santa Barbara, Charcas 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, the El 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 SXEW 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 Buenavista and starting in 2010, the concentrates fron the IMMSA mines, as we closed the San Luis Potosi smelter. The smelter includes a flash type concentrates drier, a steam drier, a flash furnace, one El Teniente modified converter 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.

Copper 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)

MEXICAN UNIT 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 townsite. 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 fourteen jumbo drilling tools, nineteen scoop trams for mucking and loading, ten trucks and six locomotives for internal ore haulage and four 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-nine 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 5,800 tons of ore per day.

San Martin

San Martin has been on strike since July 2007. 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, eleven 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

Taxco has been on strike since July 2007. The Taxco mining complex is located on the outskirts of the city of Taxco in the northern part of the State of Guerrero, 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-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 an accident in 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 100,000 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 coke to Peñoles and other Mexican consumers in northern Mexico. We expect to sell 65,700 tons of metallurgical coke in 2011.

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, which is located

113 kilometers from the refinery. The refinery produces special high grade zinc (99.995% 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. Refined silver and gold production is obtained from tolling services provided by Peñoles.

The electrolytic zinc refinery's major equipment includes a roaster with 85 square meters 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.

Copper Smelter

Our San Luis copper smelter, which was in operation since 1925, was closed in 2010, and copper concentrates previously smelted at this plant are now sent to La Caridad for smelting. We believe operating efficiencies will increase with La Caridad replacing the copper smelting capacity of San Luis Potosi.

We have initiated a program for plant demolition and soil remediation with a budget of $35.7 million, of which we have spent $7.1 million at December 31, 2010. By remediating the site and promoting an urban development we expect to generate a net gain in the disposal of this property.

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 8,089 hectares outside the above Economic Administrative Units.

   Overall the Toquepala Production Unit holds 75 mining concession over 25,207 hectares.

2. Major mine drilling equipment includes, two P&H 4100A shovels with a capacity of 73 tons (42.8 m3), 1 P&H 4100A shovel with a capacity of 78 tons (45.9 m3), 1 P&H 2100BL shovels with a capacity of 20 tons (11.5 m3), 1 BUCYRUS 495BI shovel with a capacity of 73 tons (42.8 m3), 3 BUCYRUS 495 HR shovels with a capacity of 105 tons, (55.81 m3), 1 P&H 120A electric drill, 2 P&H 100XP electric drills, 2 BUCYRUS 49RIII rotary drills, 3 BUCYRUS 49 HR, 1 Down the Hole Drill BIP TITON 600, 1 LE TOURNEAU 1400 front-end loader with a capacity of 36.4 tons (21.4 m3.).

   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, 1 CAT 24 M motor grader, 3 KOMATSU WD600 wheel tractors, 2 wheel tractors CAT 844C, 2 CAT 834H wheel tractor; 4 irrigation tanks with a capacity of 20,000 gallons, 1 front loader CAT 992D.

3. Haulage equipment includes,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. 6 TITAN 2200 trucks each with a capacity of 181 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 rod 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 of Economic Administrative Units: CUAJONE 1, with 22 mining concessions over 7,810 hectares; and COCOTEA with 17 mining concessions over 7,691 hectares. Additionally, the Cuajone Production Unit has 4 mining concessions over 1,391 hectares, outside the above two Economic Administrative Units.

   Overall, the Cuajone Production Unit comprises of 43 mining concessions over a 16,892 hectare surface.

2. Mine drilling equipment includes, 2 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 BUCYRUS electric shovel 495 HR with a capacity of 95 tons, 1 P&H 2800XPB shovel with a capacity of 54 tons, 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, 1 BUCYRUS BE49HR electric drill, 1 Diesel ROCK-L8 pre-cut drill, 3 CAT 966 front-end loaders with of 3.8 cubic meters of capacity, 2 CAT 988 front-end loaders with 6.1 cubic meters of capacity, 4 CAT-824 wheel tractors, 2 CAT-834 wheel tractor, 1 CAT 844 wheel tractor, 1 KOMATSU WD600 wheel tractor, 6 CAT-D10 dozers, 1 CAT-D9 dozer, 1 CAT-16H motor-graders , 2 CAT-24H motor-graders, 3 water trucks with a 20,000 gallon capacity, 1 water truck with a 30,000 gallon capacity.

3. Haulage equipment includes,15 KOMATSU 930E trucks each with a 290 ton capacity, 20 KOMATSU 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 PF96,1FLSmidth filter press M1500FBM, 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, one front end loader, three 109-ton capacity trucks for hauling to the leach dumps. Copper in solution produced at Cuajone is sent to Toquepala through an eight-inch 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 are 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 METALLURGICAL COMPLEX

1. The Ilo metallurgical complex has one Administrative & Economic Unit named ILO with 16 non-metallic mining concessions over 2,518.97 hectares. Additionally, the metallurgical complex has 23 mining concessions over 7,504.4 hectares, making a total of 39 mining concessions with a total area of 14,724 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 anode furnaces and 2 casting wheels. 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 like plates of 440 kg 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 m3 / 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 SO2 and SO3 absorption. Sulfuric acid is stored in tanks for final transportation to different consumers.

4. Two cryogenic oxygen plants with a total capacity of 1317 tons of 95% oxygen per day. The oxygen is used in the ISASMELT furnace, separation furnaces and Peirce Smith converters.

5. Ilo refinery and Electrolitic Plant: with a capacity of 280,000 ton per year (cathodes), 926 commercial cells and 52 starting cells, and 16 primary liberator cells, 24 secondary liberator cells, a precious metals plant with 1 Wenmec selenium reactor, 1 Copella furnace, 26 silver electrorefining cells and 1 hydrometallurgical system for gold recovery.

6. Coquina plant with a production capacity of 200,000 tons per year of seashells. Coquina Mining Plant extracts seashells to supply the raw material to the Lime Plant located in Ilo smelter The mining ratio is 25:100, the sea shell product has a content above 80% of $CaCO_3$

7. Lime plant with a capacity of 80,000 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 15 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	2010	2009	2008	2007	2006
Employees	1,919	1,735	1,836	2,108	2,142
Workers	5,257	5,851	5,973	6,404	6,512
Total	**7,176**	7,586	7,809	8,512	8,654

PERUVIAN OPERATIONS

At december 31	2010	2009	2008	2007	2006
Employees	1,999	1,941	1,912	1,895	1,839
Workers	2,003	1,976	1,756	1,702	1,715
Total	**4,002**	3,924	3,668	3,597	3,554

CHILEAN OFFICE

At december 31	2010	2009	2008	2007	2006
Total	**10**	11	10	10	10

CORPORATE OFFICE

At december 31	2010	2009	2008	2007	2006
Total	**1**	1	7	7	7

TOTAL EMPLOYEES IN SCC

At december 31	2010	2009	200 08	2007	2006
Total Mexico	7,176	7,586	7,809	8,527	8,654
Total Peru	4,002	3,924	3,668	3,597	3,554
Total Chile	10	11	10	10	10
Total Oficina Corporativa	1	7	7	7	7
Total	**11,189**	11,522	11,494	12,141	12,225

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 N° 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 15 of the Company's consolidated financial statements.

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

Mr. Jose N. Chirinos acts as Director of Comptroller and Finance and Mr. 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 were retroactively adjusted to reflect the stock splits.

At December 31, 2010, there were of record 850,000,000 shares of common stock of the Company, par value $0.01 per share, outstanding.

CORPORATE BONDS:

On April 16, 2010, the Company issued $1.5 billion in fixed-rate unsecured notes with a discount of $10.3 million, which is being amortized over the term of the related debt. Net proceeds will be used for general corporate purposes, including the financing of the Company's capital expenditure program.

The $1.5 billion fixed-rate senior unsecured notes were issued in two tranches, $400 million due in 2020 at an annual interest rate of 5.375% and $1.1 billion due in 2040 at an annual interest rate of 6.75%. The Company has registered these notes under the Securities Act of 1933, as amended.

Interest on the notes will be paid semi-annually in arrears. The notes will constitute the Company's general unsecured obligations and the series of notes will rank pari passu with each other and will rank pari passu in right of payment with all of the Company's other existing and future unsecured and unsubordinated indebtedness.

In connection with the transaction, on April 16, 2010 the Company entered into a base indenture with Wells Fargo Bank, National Association, as trustee, as well as a first supplemental indenture and a second supplemental indenture which provide for the issuance, and set forth the terms of, the two tranches of notes described above. The indentures contain covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale and leaseback transactions, and enter into certain consolidations, mergers,

conveyances, transfers or leases of all or substantially all the Company's assets. If the Company experiences a Change of Control Triggering Event (as defined in the indentures governing the notes), the Company must offers to repurchase the notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any. A Change of Control Trigger Event also includes a rating decline, that is, if the rating of the notes, by at least one of the rating agencies shall be decreased by one or more gradations.

The Company may issue additional debt from time to time pursuant to the base indenture.

Changes in Credit Risk Rating: In connection with the issuance of the $1.5 billion new notes, on April 1, 2010 Moody's investor service upgraded to Baa2 from Baa3 the Company's senior unsecured ratings and the rating on its Yankee bonds. Also on April 5, 2010 Fitch and Standard & Poor''s ("S&P") ratings services assigned ratings of 'BBB' and ''BBB-'', respectively, to the new notes issued. At the same time, these credit rating agencies confirmed their long-term corporate credit rating on SCC ('Baa2', 'BBB and ''BBB- for Moody's, Fitch and S&P, respectively).

On May 9, 2006, SCC issued $400 million 7.5% Notes due 2035. In July 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 principally used to repay outstanding indebtedness of SCC, and the balance was used for general corporate purposes. SCC filed a registration statement on Form S-4 with respect to these Notes in October 2005.

In January 2006, SCC 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 ag¬gregate of $590.5 million of the 7.5% old notes due 2035 were tendered in exchange for an equivalent amount of new notes. The indentures relating to the notes contain certain covenants, including limitations on liens, limita¬tions on sale and leaseback transactions, rights of the holders 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, 2010, SCC is in compliance with these covenants.

The notes issued in July 2005 and the new notes issued in May 2006 are treated as a single series of notes under the indenture, including for purposes of covenants, waivers and amendments. SCC has registered these notes under the Securities Act of 1933, as amended.

In 1999, SCC entered into a $100 million, 15-year loan agreement with Mitsui. The interest rate for this loan is the Japanese LIBO rate plus 1.25% (Japanese LIBO for this loan at December 31, 2010 was 0.45631%). The Mitsui credit agreement is collateralized by pledges of receivables on 31,000 tons of copper per year. The Mitsui agreement requires SCC to maintain a minimum stockholders' equity of $750 million and a ratio of debt to equity. Reduction of Grupo Mexico's direct or indirect voting interest in SCC to less than a majority would constitute an event of default under the Mitsui agreement. At December 31, 2010, SCC is 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 Pe¬ruvian 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 bonds, which we referred to as Yankee bonds. These bonds were offered in two series: Series A bonds which were fully repaid in 2008 with a payment of $150 million, and Series B for $125 million, with an interest rate of 9.25% and a 2028 maturity date. In 2007, SCC repurchased $68.6 million of the Series B bonds at a premium of $16.6 million, which is included in the consolidated statement of earnings on the line "Loss on debt prepayments". 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 facility. At December 31, 2010, Minera Mexico is in compliance with this covenant.

We expect that we will meet our cash requirements for 2011 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, 2010

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. ("EIM") (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. since 1992, Consejo Mexicano de Hombres de Negocios, and Grupo Televisa, S.A.B. since 1999. He and Mr. Genaro Larrea Mota-Velasco are brothers.

Mr. Larrea, our Chairman, presides over every Board meeting and has been contributing to the Company since 1999 his education, his leadership skills, industry knowledge, strategic vision, informed judgment and business experience of more than 16 years, especially in the mining sector. As Chairman and Chief Executive Officer of Grupo Mexico, of Grupo Ferroviario Mexicano, S.A. de C.V. and of EIM, a holding company engaged in a variety of business, including mining, construction, railways, real estate, and drilling, he brings to the Company a valuable mix of business experience in different industries. His serving as a director of a bank, a professional Mexican organization and a media company provides a valuable diversified business experience that enhances his leadership role in the Company.

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. Mr. Gonzalez Rocha has been Chief Executive Officer and director of Asarco LLC, an affiliate of the Company,

since August 2010. 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 since 2002. He was General Director of Mexicana de Cobre, S.A. de C.V. from 1986 to 1999 and of Buenavista del Cobre, S.A. de C.V. (formerly 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.

Emili 30, 2003 and is our fourth 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—mxf), a non.diversified closed-end management investment company. Mr. Carrillo Gamboa held various offices with Telefonos de Mexico, S.A. de C.V. ("TELMEX") from 1960 to 1987, the most recent being that of President and Chief Executive Officer from June 1975 to June 1987. He later served as Mexico's Ambassador to Canada from July 1987 to February 1989. Mr. Carrillo Gamboa served from 2002 through March 2010 on the board and on the Audit Committee of Empresas ICA, S.A.B. de C.V. (NYSE-ica), an engineering, procurement and construction company. He is a member of the Valuation, Contract Review and Nominating and Corporate Governance Committees of The Mexico Fund, Inc. and a member of its Audit Committee since 2002. 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 Anahuac University. He also holds a Master's degree in Economics from the University of Chicago.

Luis Castelazo Morales, Director.

Mr. Castelazo Morales was elected to the Company's Board of Directors on September 20, 2010. Mr. Luis Castelazo Morales has been the General Director of EIM since 2008. Mr. Castelazo Morales was previously Chief Executive Officer of Desarrollo de Ingenieria S.A. de C.V. (DISA), a Mexican construction company, for more than ten years. Mr. Castelazo Morales also participated in different projects in Mexico via joint ventures with Raytheon Engineers and Constructors and also with the McCarthy Construction Group. Later he, along with two colleagues, founded AGBC S.C., a firm dedicated to financial consulting and advising for investments in the Mexican stock market, where he worked for more than 15 years. Mr. Castelazo Morales holds the recognition of the AMIB (Asociacion Mexicana de Intermediarios Bursatiles) as a certified "Advisor in Investment Strategies" for the Mexican stock market. Mr. Castelazo Morales holds a degree in Civil Engineering from the Universidad Iberoamericana in Mexico City and a Master's degree in Business Administration from the University of Texas in Austin, TX.

Enrique Castillo Sanchez Mejorada, Director.

Mr. Castillo Sanchez Mejorada was elected to the Company's Board of Directors on July 26, 2010 and is our fifth independent director nominee. Since October 2000, Mr. Castillo Sanchez Mejorada has been the Chairman of the Board of IXE Grupo Financiero, S.A.B. de C.V. ("IXE GF"), a Mexican financial holding company. He was also Chief Executive Officer of Ixe GF from October 2000 to December 2008. In addition, from March 2007 to March 2009, Mr. Castillo Sanchez Mejorada was the President of the Mexican Banking Association (Asociacion de Bancos de Mexico). Currently, Mr. Castillo Sanchez Mejorada serves as an independent director on the boards of Grupo Herdez, S.A.B. de C.V., a Mexican holding company for the manufacture, sale and distribution of food

products; Alfa S.A.B. de C.V., a Mexico-based holding company that, through its subsidiaries, is engaged in the petrochemical, food processing, automotive and telecommunication sectors; Grupo Embotelladoras Unidas, S.A.B. de C.V., a Mexico-based holding company primarily engaged in the beverages industry; Grupo Azucarero Mexico, S.A.B. de C.V., a Mexico-based company engaged in the production, distribution, processing, manufacture and sale of sugar-based products and its derivates; and Grupo Casa Saba, S.A.B. de C.V., a Mexican wholesale distributor of pharmaceutical, health, beauty and other consumer products. Mr. Castillo Sanchez Mejorada holds a Bachelor's degree in Business Administration from the Universidad Anahuac in Mexico City, Mexico.

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 was a member of the board of Grupo Aeroportuario del Sureste, S. A. B. de C. V. (airport services) from 2000 to 2007. 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 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 ("AMC") since September 7, 2007. From December 2009 to June 2010, he was Chairman and Chief Executive Officer of Asarco LLC. He was previously President of Asarco LLC from November 1999 to September 2001. 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, S.A. de C.V. (telecommunications, electronic and automotive parts producer) 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.

Genaro Larrea Mota-Velasco, 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, S.A.B. 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 a director of the Company since May 28, 2008. 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, Angoitia, 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.

Luis Miguel Palomino Bonilla, Director.

Dr. Palomino has been a director of the Company since March 19, 2004 and is a special independent director nominee. Dr. Palomino has been Chairman of the Board of Aventura Plaza S. A. (commercial real estate developer and operator) since January 2008, Manager of the Peruvian Economic Institute (economic think tank) since April 2009, Managing Partner of RMG Consultores (a financial consulting firm) since July 2007, director of the Master in Finance Program at the University of the Pacific in Lima, Peru since July 2009, and a member of the board of various organizations. He was a member of the

of directors of Access SEAF SAFI from December 2007 to April 2010. Dr. Palomino was previously Principal and Senior Consultant of Proconsulta International (financial consulting) from September 2003 to June 2007. 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 Universidad del Pacifico, Lima, Peru.

Gilberto Perezalonso Cifuentes, Director.

Mr. Perezalonso has been a director of the Company since 002 and is a special independent director nominee. He was Chief Executive Officer of Corporacion Geo S.A. de C.V. (housing construction) from February 2006 to February 2007. Mr. Perezalonso was the Chief Executive Officer of Aeromexico (Aerovias de Mexico, S.A. de C.V.) (airline company) 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. (media company). From 1980 until February 1998, Mr. Perezalonso held various positions with Grupo Cifra, S.A. de C.V. (department stores), 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. (banking), the board and the investment committee of Afore Banamex (banking), the board and the investment committee of Siefore Banamex No. 1 (banking), and is a member of the boards of Gigante, S.A. de C.V. (retail), Masnegocio Co. S. de R.L. de C.V. (information technology), Telefonica Moiles Mexico, S.A. de C.V. (wireless communication), and Construction Company Marhnos (housing construction). Mr. Perezalonso was a director of Cablevision, S.A. de C.V., Grupo Televisa, S.A.B. and a member of the Audit Committee of Grupo Televisa, S.A.B. from March 1998 to September 2009. 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 a special independent director nominee. 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. He was also a director of Asarco LLC. Mr. Ruiz Sacristan is a member of the Board of Directors since 2007 and of the Audit, and Environmental and Technology Committees of Sempra Energy (energy services). He has been a member of the Board of Directors of Constructora y Perforadora Latina S.A. de C.V. (Mexican geothermal exploration and drilling company), of Banco Ve Por Mas S.A. (Mexican bank), and of OHL Concesiones Mexico (a construction and civil engineering company) since 2010. 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.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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

Jose N. Chirinos Fano

Comptroller

Remigio Martinez Müller

Vice-President, Explorations

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 80.00% 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 2009 we had three 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 2009, Mr. Emilio Carrillo Gamboa was our fourth independent director. At its meeting on January 28, 2010, the Board of Directors determined that Messrs. 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 requirement by SEC rules.

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 remuneration.

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 gross income is 0.29%.

Annual Meeting

The annual stockholders meeting of Southern Copper Corporation will be held on Thursday, April 28, 2010 at 09:00 hours. Mexico City time, at Edificio Parque Reforma, Campos Eliseos No. 400, 9th Floor, Colonia Lomas de Chapultepec, Mexico City, Mexico.

Corporate Offices:

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Peru

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Phone. +(511) 512-0440, Ext. 3211
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 07310-1900-0286
Phone +1(800) 524-4458

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 +1(80 0) 524-4458.

Stock Exchange Listing

The principal markets for SCC's Common Stock are the New York Stock Exchange and the Lima Stock Exchange. Effective February 17, 2010, SCC's Common Stock changed its symbol from PCU to SCCO on both the NYSE and 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 SPCCPI1 and SPCCPI2. Transfer Agent, registrar and stockholders services are provided by Banco de Credito of Peru at Avenue El Derby 055, Tower 4th, 10th floor, Centro Empresarial Cronos, Lima 33, 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

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Phone: 1(602) 494-5328,
Fax: 1(602) 494-5317.

NYSE Symbol: SCCO

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Chacarilla del Estanque, Santiago de Surco
Lima 33 - Peru/ Lima Stock Exchange Symbol: PCU.
Phone. +(511) 512-0440, Ext. 3211[2]
Fax +(511) 512-0486

Web Page: www.southerncoppercorp.com
Email address: southerncopper@southernperu.com.pe

Form 10-K[3]

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.

[2]Proxy Statement, Ext. 3325

[3]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

Genaro Larrea Mota-Velasco

Daniel Muñiz Quintanilla

Luis Miguel Palomino Bonilla

Gilberto Perezalonso Cifuentes

Juan Rebolledo Gout

Carlos Ruiz Sacristan

Luis Castellazo Morales

Enrique Castillo Sanchez Mejorada

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

Jose N. Chirinos Fano

Comptroller

Remigio Martinez Müller

Vice-President, Explorations


SOUTHERN COPPER
GRUPO MEXICO

DISEÑO: DESIGN CENTER ™

SOUTHERN COPPER CORPORATION

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