SOUTHERN COPPER
GRUPO MEXICO

2011

Annual Report

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 2011. SCC takes responsibility for its contents according to applicable requirements".

Hans A. Flury Royle
Assistant Secretary

Raul Jacob Ruisanchez
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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Operations at the leaching area, Toquepala mine, Tacna, Peru.

LETTER TO SHAREHOLDERS

2011 was a year of new outstanding results for Southern Copper Corporation (SCC), the production of copper - our main product - increased by 22.8%, which joined with the improvement in the average prices of copper 17,0% and 16,9% for the LME and COMEX, respectively, allowed that net income for this period reached a historic maximum level of $2,336.4 million, higher in 50.3% compared with year 2010.

Our principal operations are in Mexico and Peru, in both countries we carry out an intensive exploration program. Also, we will continue with our internationalization policy, searching for new reserves in Latin America. Accordingly, we are making an active exploration program in Chile, Argentina and Ecuador. In terms of copper reserves, we believe that we hold the world's largest reserve, ensuring the sustainability of the Company in the long term, as well as a satisfactory return for your investment.

In 2011, sales of the Company were $6,818.7 million, 32.4% higher than the sales in 2010. This increase primarily resulted from higher sales volume of copper produced in our Buenavista mine and higher prices of copper, silver and zinc.

Copper mine production in 2011 reached 587,491 tons, this increase was the result of the restoration of the Buenavista mine that is currently working to 100% of its installed capacity. The rehabilitation of the Buenavista facility had a total cost of $212.8 million. Also, the production of refined copper and rod in 2011 rose significantly compared with 2010, allowing us to win prizes on the spot copper price. The total production of copper for 2011 was 638,810 tons.

The Buenavista mine was restored at its full capacity in 2011. Now we are moving forward with our aggressive investment program for this property, which will have an annual production capacity of copper of 488,000 tons by 2015, an increase in capacity higher than 170%.

Operating cash cost per pound of copper, before by-products credit, was $1.66 per pound in 2011, compared with $1.52 per pound in 2010. In 2011, operating cash cost per pound of copper, net of by-products, was $0.41, making SCC one of the lowest cost producers in the industry.

Good management performance and economic results of SCC have deserved the recognition of Standard & Poors (S&P), institution that on January 26, 2012 raised its long term corporate credit rating on our Company to BBB from BBB-. Also, S&P raised its rating on our "senior" notes to BBB from BBB-. S&P noted that these ratings reflect its assessment of a satisfactory business risk profile, supported by our low cash cost structure, geographic diversity, position as one of the world's largest copper producer, vertical integration and long-life reserves.

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

In 2012, we will continue our aggressive mining and metallurgical capital investment projects over the next five years. This year, as part of our investment program, the Company spend $1.5 billion, of which approximately $1 billion would be invested in Mexico and $500 million in Peru. This investment aims to increase our copper and molybdenum production capacity, while maintaining the low-cost leadership of our Company.

Capital and exploration expenditures in 2011 were $612.9 million, which were invested in our Mexican operations, mainly in the rehabilitation of the benefit plant, the expansion of the mine and concentrator in the Buenavista del Cobre mine; as well as in Peru, through improvements in the Toquepala and Cuajone concentrators.

Social programs of the Company continue running in all our operating areas, especially for the benefit of the surrounding communities. In Mexico, for the community next to the Buenavista mine we rebuild the hospital, modernize the library and carry out various works of infrastructure. In Peru, we continue with our improvement program for the irrigation infrastructure in the highlands, this enhances the use of water, the quality of pastures, livestock feed, all of which impacts favorably on our surrounding communities.

On behalf of Southern Copper Corporation's Board, we express our thanks to all our personnel for their effort, hard 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

		2011	2010	2009	2008	2007
Copper production Mines	(tons)					
Mined Material	(thousand)	502,909	398,953	355,727	343,762	406,059
Copper in concentrates		465,973	397,030	424,199	418,726	498,207
Copper SX/EW		121,518	81,497	61,177	70,203	93,976
Total Copper		587,491	478,527	485,376	488,929	592,183
Molybdenum in concentrates		18,570	20,519	18,687	16,390	16,208
Zinc in concentrates		83,807	99,194	110,430	106,920	121,013
Silver in concentrates	(thousand ounces)	12,731	12,646	13,202	12,316	15,229
Smelter/refineries production						
12,731						

SOUTHERN COPPER CORPORATION AND SUBSIDIARIES

FIVE-YEAR SELECTED FINANCIAL AND STATISTICAL DATA

For the years ended December 31

(in millions, except per share amounts, employee data and stock and financial ratios)	**2011**	2010	2009	2008	2007
Consolidated Statement of earnings					
Net sales	$ 6,819	$ 5,149	$ 3,734	$ 4,851	$ 6,086
Operating costs and expenses	3,193	2,545	2,249	2,649	2,588
Operating income	3,625	2,604	1,485	2,202	3,497
Non-controlling interest of investments shares on Peruvian Branch Income	8	9	5	8	10
Net earnings attributable to SCC	$ 2,336	$ 1,554	$ 929	$ 1,407	$ 2,216
Per share amount (1)					
Net earnings attributable to SCC – basic and diluted	$ 2.76	$ 1.83	$ 1.09	$ 1.60	$ 2.51
Dividends paid	$ 2.46	$ 1.68	$ 0.44	$ 1.94	$ 2.27
Consolidated balance sheet					
Total assets	$ 8 , 0 6 3	$ 8,128	$ 6,058	$ 5,764	$ 6,581
Cash and cash equivalent	848	2,193	772	717	1,409
Total debt	2,746	2,760	1,280	1,290	1,450
Total equity	$ 4,036	$ 3,910	$ 3,894	$ 3,395	$ 3,865
Consolidated statement of cash flows Cash provided from operating activities	$ 2,070	$ 1,921	$ 963	$ 1,728	$ 2,703
Dividend paid	2,080	1,428	376	1,711	2,002
Capital expenditures	613	409	415	524	316
Depreciation & depletion	$ 288	$ 282	$ 274	$ 327	$ 328
Capital stock (2)					
Common shares outstanding (in thousands)	840.9	850	850	854.9	883.4
NYSE price – high	$ 49.59	$ 48.84	$ 36.40	$ 41.34	$ 47.12
NYSE price – low	$ 23.99	$ 26.19	$ 12.74	$ 9.19	$ 16.84
Book value per share	$ 4.77	$ 4.58	$ 4.56	$ 3.96	$ 4.36
P/E ratio	10.93	26.66	30.12	10.03	14.05
Financial ratios					
Current assets to current liabilities	3.12	3.28	3.04	2.17	2.91
Net debt as % of capitalization	32.0%	12.7%	11.5%	14.4%	1.0%
Employees (at year end)	12,145	11,510	11,494	12,268	12,225

(1) The number of shares and values per share has been adjusted to reflect the 2008 stock splits.

(2) Represents net debt divided by net debt plus equity. Net debt is total debt minus cash and cash equivalents balances.

Truck at the Buenavista del Cobre mine, Mexico.

$ 1,500

MILLION IN EXPANSION AND MODERNIZATION PROGRAM

IN 2011, SALES OF THE COMPANY WERE 32.4%
HIGHER THAN THE SALES IN 2010

EXPANSION AND MODERNIZATION PROGRAM

We are committed to continuing the growth of our Company. In 2012 we will continue with our capital investment program. We have budgeted $1.5 billion in spending for the year. Spending in Mexico is estimated to be $1.0 billion including approximately $0.7 billion for our Buenavista investment program and, in Peru $0.5 billion. This investment is part of our five year capital investment program to increase production of copper and molybdenum. In general, capital expenditures and investment projects that are described below will help us to increase production and/or reduce 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

SXEW III plant at the Buenavista mine: : After obtaining the necessary environmental permits, the construction of the plant has started. Some of the equipment originally purchased for the Tia Maria project will be used for this SXEW plant. This will allow us to increase the annual SXEW plant capacity from 88,000 tons to 120,000 tons. The new plant should begin operating in the second half of 2013. The project has a total budget cost of $444 million, with $8.6 million spent through December 31, 2011.

Crushing, conveying and spreading system at Buenavista: Associated with the SXEW III project, we are also building a Quebalix facility at Buenavista. This investment consists in a crushing, conveying and spreading system that improves the SXEW copper production by increasing recovery and reducing the required time to extract copper from mineral. Overall progress is 88% and this facility is expected to begin operating in the second quarter of 2012. The project has a total budgeted cost of $70 million, with $48.7 million expended through December 31, 2011.

Molybdenum plant at Buenavista: Buenavista's new 2,000 ton per year molybdenum circuit is in the equipment purchasing stage, under an engineering, procurement, construction and management contract. Environmental permits will be obtained shortly and we expect to begin construction in the first quarter of 2012, with production

San Luis Potosi, Mexico

beginning in the second quarter of 2013. The project has a total budget cost of $38.2 million with $1.2 million expended through December 31, 2011.

New Buenavista concentrator: The new Buenavista concentrator, with a milling capacity of 100,000 tons per day, is in process. Basic and detailed engineering are moving forward as scheduled. Environmental permits have been obtained. We are evaluating several supplier proposals for the main equipment. Purchase orders for crushers, primary and secondary ball mills and motors have been placed. The new concentrator will have an estimated annual production of 188,000 tons of copper and 2,600 tons of molybdenum. It is expected to begin operation by 2015. Total budget cost of this project is $1.4 billion.

Required infrastructure for these projects, including power, water, roads, shops, laboratories, townsites, etc., is included in the master plan. A preliminary study has been delivered and we are working to have these projects aligned.

Pilares project: On October 27, 2011, the Board of Directors approved the development of the second stage of the Pilares mine, with a budget of $136.3

million. In 2008, we acquired 100% ownership of Pilares, with the intention of operating it as an open pit facility. Current mineralized resources are estimated at 43.4 million tons with 0.789% of copper sulfide content and 0.077% copper oxide. We expect to increase copper production by 40,000 tons per year by sending mineral from the Pilares site to our La Caridad concentrator. Pilares should begin operations by the third quarter of 2013.

Angangueo: Also, in October 2011, the Board of Directors approved an expenditure of $131 million for the development of the Angangueo mine. This site in Michoacan, Mexico, is a polymetallic deposit with an annual production potential of 36,000 tons of copper, 4.5 million ounces of silver and 41,000 tons of zinc. In 2012, we expect to start the underground development and the construction of a 2,000 tons per day concentrator will begin. The project is scheduled to begin production in the second half of 2014.

Peruvian Operations

Toquepala concentrator expansion: : Through December 31, 2011, we have spent $199 million on the Toquepala expansion, mainly on mine equipment which is being used for the initial stripping of the project. The scope of the project has been defined as an increase in milling capacity to 120,000 tons per day which should increase annual production by 100,000 tons of copper and 3,100 tons of molybdenum. The EIA for the project was presented to MINEM in July 2011. As part of the approval process for the EIA a public hearing was held at Toquepala in September 2011, but as a result of off-site protests the Peruvian government declared the hearing invalid. We are awaiting direction from the Peruvian government to move forward with the process of approval of the EIA. Assuming we receive approval of the EIA on a timely basis, project completion is scheduled for the first quarter of 2014.

Cuajone concentrator expansion: Through December 31, 2011, we have spent $80.2 million on the Cuajone expansion project. As a first stage of the expansion plans, the project includes a variable cut-off grade methodology which will allow us to increase copper and molybdenum production. When finished, the project will increase copper production by 22,000 tons per year. Project completion of this stage is scheduled for the third quarter of 2012.

Tailings disposal at Quebrada Honda: This project increases the height of the existing Quebrada Honda dam to impound future tailings from the Toquepala and Cuajone mills and will extend the expected life of this tailings facility by 25 years. The first stage of the tailings disposal project was completed. Construction of the drainage system for the lateral dam, started in June 2010, was finished. The project has a total budgeted cost of $66.0 million with $47.7 million expended through December 31, 2011.

Tantahuatay: The Tantahuatay mine is located in Cajamarca, in northern Peru. Production started in August 2011 and the mine produced 46,200 ounces of gold and 260,100 ounces of silver in 2011. Tantahuatay is expected to have an average annual production of 90,000 ounces of gold and 425,000 ounces of silver for five years. We have a 44.2% participation in this project.

Tia Maria project: We have initiated a bidding process to prepare a new EIA study for the project. We are confident that this initiative will convey a positive effect to our stakeholders and will allow us to obtain approval for the development of the 120,000 ton annual production copper project. As a consequence, we are rescheduling the project start up to the beginning of 2015. Additionally, some of the equipment already purchased is being assigned to our operations at Buenavista, Toquepala, and Cuajone.

Potential projects

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.

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 on investment, environmental concerns, 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.

The above information is based on estimates only. We cannot make any assurance that we will undertake any of these projects or that the information noted is accurate.

Casting wheel at the Ilo copper smelter, Peru.

Spreader working on the leaching area at Toquepala mine, Peru.

$37.5

WE INVESTED $37.5 MILLION IN EXPLORATION PROGRAMS

WE ARE ENGAGED IN ONGOING EXTENSIVE EXPLORATION TO LOCATE ADDITIONAL ORE BODIES IN PERU, MEXICO, ARGENTINA, ECUADOR AND CHILE.

Operating a crane, San Luis Potosi, Mexico.

EXPLORATION

We are engaged in ongoing extensive exploration to locate additional ore bodies in Peru, Mexico, Argentina, Ecuador and Chile. We also conduct exploration in the areas of our current mining operations. We invested $37.5 million in exploration programs in 2011, $34.3 million in 2010 and $24.6 million in 2009 and we expect to spend approximately $44.8 million in exploration programs in 2012.

Currently in Peru, we have direct control of 145,064 hectares of mineral rights. In Mexico, we currently hold 176,250 hectares of exploration concessions. We also currently hold 21,068 hectares, 35,958 hectares and 2,544 hectares of exploration concessions in Argentina, Chile and Ecuador, respectively.

MEXICO

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

El Arco. The El Arco site is a copper deposit located in the state of Baja California in Mexico. Exploration work at the site indicates 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 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. As we have a large mineralized material database for this project, we decided to postpone the deep drilling program to the future, consequently no drilling was done in 2011 and none is planned for 2012.

A 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. During 2011, all documentation required to obtain a water concession for 300 liters per second was filed. We expect to receive the title for these water rights in the first half of 2012.

The feasibility study performed in 2010 was completed in 2011. During the last year most of our activities were related to infrastructure issues such as land, power and port facilities. We expect to resolve these issues in 2012.

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 2011 we concluded the feasibility study and in October 2011 an investment of $130.7 million was approved for the development of the Angangueo mine. Please see “Capital Investment Programs” under Item 7 of our Form 10-K for further information.

Buenavista-Zinc (formerly 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 labor strike activities at the Buenavista mine no work was performed from 2008 through 2010. In 2011, 11,956 meters of diamond drilling were executed to confirm grade and acquire geotechnical information. In 2012, the Buenavista-Zinc mine plan will be integrated with the overall mine plan of the Buenavista pit. Also we expect to conclude the final metallurgical testing and the feasibility study in 2012.

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, 2,640 meters distributed in 68 drilling holes were executed. This resulted in an increase of 178,000 tons of new mineralized material at the Nueva Rosita pit. For 2012, a 5,000 meters drilling program is planned for the La Conquista pit.

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 1990s, 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 the second quarter 2012. In 2010 and 2011, we added several claims and performed a 9,386 meters drilling program that

indicated at least seven million tons of mineralized material containing 979 grams of silver, 0.41% lead, 0.52% copper and 2.53% zinc. During 2012, we plan to continue the drilling program, metallurgical testing and related studies.

Pilares. Located in the state of Sonora, Pilares is ten kilometers from the town of Nacozari de Garcia and six straight line kilometers from our La Caridad mine. In 2008, we acquired 100% ownership of Pilares, with the intention of operating it as an open pit facility. In October 2011, an investment of $136.3 million was approved for the development of the second stage of the Pilares mine. Please see "Capital Investment Programs" under Item 7 of our Form 10-K for further information.

Sierra de Lobos. This project is located southwest of the city of Leon, Guanajuato. Drilling in 2008 confirmed the presence of copper and zinc mineralization, but an economic deposit has not yet been identified. Due to the changes in our investment program priorities, no work was performed in 2009, 2010 and 2011. We expect to resume drilling activities in the second quarter of 2012.

PERU

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%, molybdenum content of 0.05% and 0.039 grams of gold per ton. During 2011, we completed the pre-feasibility study and we plan to conduct a feasibility study of the project in 2012.

Tantahuatay. The Tantahuatay mine, located in the department of Cajamarca in northern Peru, started operations in July 2011. Please see "Capital Investment Programs" under Item 7 of our Form 10-K for further information.

Other Peruvian Prospects

As part of the 2011 exploration program, we concluded a program of 1,652 meters of diamond drilling at the Huallas (Chinchinga) project (a skarn of copper-lead-zinc) located in the department of Ayacucho and 6,268 meters of diamond drilling at the Clara project (copper porphyry) located in southern Peru. These prospects are on hold as we evaluate the results of the drilling program.

For 2012 we are considering developing a diamond drilling program of approximately 30,000 meters for some prospects located in the northern and southern parts of Peru, including at El Penon, a copper and gold project, located in the north. We will continue with the regional exploration program at several other Peruvian mineralized zones.

CHILE

Ticnamar. The Ticnamar prospect, located in northern Chile, has been explored as a deposit with copper-molybdenum porphyric veins. In 2011, a diamond drilling program of 1,124 meters was completed. For 2012 we plan to continue exploration with a diamond drilling program of 3,000 meters.

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 during 2011, 2,189 meters of diamond drilling were completed. This prospect has good possibilities and for 2012 we plan to continue exploration with a diamond drilling program of 3,000 meters.

Santa Marta. Located in the Atacama region, Santa Marta is being explored for copper and molybdenum porphyry. During 2011 and 2010, we diamond drilled 2,837 meters and 3,318 meters, respectively showing promising results. Exploration will continue in 2012, with a diamond drilling program of 4,000 meters.

San Benito. Located in the Atacama region, San Benito was explored for copper and molybdenum porphyry. In 2010, a diamond drilling program of 3,241 meters was completed. The prospect is currently pending further evaluation.

El Salado. A copper-gold prospect located in the Atacama region, northern Chile. During 2011 we evaluated the information available for the prospect in order to plan the work to be done in the next stage. For 2012, we plan a diamond drilling program of 5,000 meters and metallurgical testing laboratory.

Resguardo de la Costa. A copper-gold prospect located in northern Chile (Atacama area). This prospect is on hold, pending further evaluation.

Other Chilean Prospects

For 2012, we plan to continue with a regional exploration program oriented to locate systems mainly of porphyritics of copper and molybdenum.

ECUADOR

In 2011, we started exploration activities in Ecuador. For 2012, we expect to begin exploration work on the Chaucha prospect, located south of Guayaquil. The mineralization is characteristic of a copper-molybdenum porphyry system. In 2012, we plan a program of 10,000 meters of diamond drilling to evaluate the deposit.

ARGENTINA

In the last quarter of 2011 we started exploration activities in Argentina. We plan to carry out explorations in the south of Argentina, where mineralization for porphyry copper, epithermal gold and silver and polymetallic skarns is expected.

Improvement of the sheep animals in Tacna, Peru.

$77.0

MILLION DURING 2006 -2011

SOUTHERN COPPER CONTRIBUTES TO IMPROVING
ITS COMMUNITY IN MEXICO AND PERU

Greenhouse in San Luis Potosi, Mexico

RELATIONS WITH THE COMMUNITY

Mexico

Sonora Award for Philanthropy

Buenavista del Cobre received the "Sonora Award for Philanthropy" from state Governor Guillermo Padres Elias. The private sector company earned its distinction for its contribution to improving its community by promoting values such as solidarity, social responsibility and commitment to the development of the state of Sonora.

The prize aims at promoting the ideal of social commitment and solidarity efforts through community action programs aimed at improving communities and encouraging service to others, recognizing and disseminating the experiences of institutions, companies and individuals who perform them, encouraging reflection on specific social problems, encouraging cooperation and fostering a culture of altruistic behavior for the benefit Sonora's society.

Community Centers

During 2011, a total 85 federal, state and municipal as well as civil society organizations were involved in a range of social wellbeing and human capital strengthening programs organized in Community Development Centers. Likewise, 280 of community outreach days, 31 town hall meetings with city councils and neighborhood groups to identify the communities' main problems, as well as 570 campaigns to disseminate various activities, 105 meetings with institutions related to social interventions and 61 debate sessions were organized.

People from San Luis Potosi, Mexico.

Other activities included 112 four month courses in cosmetology, sewing, cooking, jewelry making, bakery, handicrafts, woodworking and baking trained to 1,720 people over 15 years old, 420 of whom established their own business ventures with profiling and incubation advice provided to 105 productive projects.

Counseling and workshops for environmental school brigades, talks on health promotion and preventive medicine, community service days, physical reactivation, open adults' primary and secondary literacy training sessions, human development courses, psychosocial counseling and information day sessions on addiction prevention.

"Our Healthy People" Campaign

A total of 24 awareness campaigns and 32 sessions on topics such as overweight, obesity, diabetes and high blood pressure were organized in the premises of Charcas and Electrolytic Zinc Refinery business units. Active worker participation helped to identify five groups of overweight, diabetic and high blood pressure workers. Medical staff from the Mexican Social Security Institute (IMSS) conducted theoretical and practical group sessions to provide information on a proper diets and good eating habits, food myths and realities, food portions and equivalents, sedentary living, and disease prevention with the aim of improving the level and quality of individual, family and community living.

Sports Academy

To encourage sports among children ages 6 to 18 years through a methodology of physical reactivation and performance in specific programs of organized sport, this program incorporates values and prevention of psychosocial risks components as formative elements that should enhance the quality of living of individuals, families and communities at large.

In the first stage of the project three units were opened in Nacozari, and Esqueda, Sonora and Nueva Rosita communities, in Coahuila. Collaborative work with the States' Sports Commissions and Municipal Institutes of Sport, among others, ensured sharing of social responsibility as a trigger for the common good. In the second stage, three units are planned to be opened in the neighboring communities of the Santa Barbara, Charcas and Zinc Refinery units in Chihuahua and San Luis Potosi states, respectively.

Sports Academy is funded by various types of organizations, both private and public, and use sports facilities operated by communities as well as our company's.

"Participate for Cananea". A success story

To create a new social relationship with the town of Cananea and for the town-s good, in 2008 Grupo Mexico launched a community project to values, strengthen the social fabric and foster unity. The company wanted to have a closer relationship with the community and so the "Participating for Cananea" project was born including improvements in school buildings, social infrastructure and social development components.

"Participating for Cananea"

"Participating for Cananea" is sponsored since 2008 by Grupo Mexico to promote community involvement projects in three fields of concern, namely school buildings, social infrastructure and social development. These projects are approved by the

Community Committee of Cananea, an organization created by volunteer community leaders from different walks who are responsible for reviewing, approving and monitoring the smooth running of projects. The Committee is a multiple stakeholder and transparent body that provides reliability for the allocation and monitoring of the resources provided by Grupo Mexico.

a) School facilities: Construction, repair or equipping of schools.
b) Social infrastructure: Infrastructure and equipment for non-governmental institutions.
c) Social development: Projects aimed at building community social and human capital including training, advice and facilitation. These projects train leaders who contribute to the wellbeing of Cananea and have a multiplier effect on program building.

So far, Grupo Mexico has invested $ 1.74 million in these projects.

During 2011, 40 school infrastructure projects, 5 projects to support service institutions, 25 social development projects and a project to strengthen the "Meeting House" Community Center benefited from Grupo Mexico´s support under this program.

Support was provided including rehabilitation of sports facilities, classrooms, improved sanitation, improved technology and knowledge development (libraries and auditoriums), improvements in infrastructure or equipment suitable for non-governmental institutions or community service so they can continue to provide efficient services and activities to encourage sport, culture, and health.

Investing on community development

Grupo Mexico's investment in its communities has been multiplied. A Social Return on Investment (SROI) analysis shows an assessment based on volunteer time and

free services generated or at nominal cost of projects, the average social average return from our investment is $ 2.47 for every dollar invested. This evidences the mature relationship between the company and the people, shared responsibility and the community's strong commitment.

Transformative social impact

The life of more than 35,000 people has been impacted directly in a positive way through the various workshops, classes and services provided by several social development projects and nearly 700,000 hours of service. Furthermore, over 28,000 users have benefited from diverse social and educational infrastructure support projects.

Changes resulting from social development projects are measured to facilitate evaluation of results. Individual project activities are monitored and data is used to evaluate project performance by number of beneficiaries, service hours generated, economic value of services provided, economic value of volunteer time, and more. These data are introduced periodically to a virtual database, generating a Social Impact Assessment Chart available online at:
http://impactosocialcananea.weebly.com.

Project leaders can review their results and assess the impact of their projects and the Meeting House's overall footprint in the community, and compare results from previous periods. The program seeks to provide individual local leaders with the ability to impact positively on their communities by adjusting their projects as needed and thus multiply the benefits they provide.

Commitments

Derived from the social development programs comprised in the "Participate for Cananea" initiative, good results with the community and closer working relations with the Sonora State and Federal governments based on progress on social issues

accomplished by Grupo Mexico's efforts since 2008, the company committed to undertake certain initiatives for the benefit of the population and invest in infrastructure, education, health and an expansion plan for the Buenavista del Cobre mine.

With these investments, the state of Sonora and the region, but especially the people of Cananea, will benefit from new conditions. In June 2010 and after a long inactivity period, protracted labor talks, and after work relations between Mexicana de Cananea, a Grupo Mexico subsidiary, and the miners' union had been declared non-existent, work resumed at the mine, thus marking the beginning of the process to evaluate and rehabilitate the mine.

Today, 18 months later, Buenavista del Cobre has returned to full activity. People's perceptions have changed. A survey conducted by BGC Ulises Beltran and Associates in May 2010 showed 91% of the population felt life in Cananea had deteriorated or remained stagnant since 2009 until then. However, from July 2010 to October 2011, and after the mine reopened, more than 63% of the people thought that since operations at the mine had resumed, things had improved or at least not deteriorated further. Given the company's plans for mine expansion, growth and continued engagement with the community, this is indeed a very encouraging outlook.

The signed agreements include social and urban infrastructure, health services and education.

- Paving of five streets near the mine to improve workers' access to their workplace and improve access roads.

- Improved access road to the Industrial Park.

- Five wells drilled and completed to improve the city's safe water supply.

- Adjustments were performed and reconstruction of the Cananea General Hospital was improved and repaired including a new drainage system, repair of electrical systems, new cistern tanks, heating and air conditioning, pipe repair and civil engineering and general finishing.

- Donation of pickup to IAP Private Charity Committee to start the “Road to Life” program. Road to Life will comfort patients traveling from Cananea to Hermosillo and Nogales for hemodialysis and oncology treatments, and women requiring mammographies.

- Construction of a new secondary hospital to be operated by the Mexican Social Security Institute of the State of Sonora will begin in 2012. This a tripartite Federal Government, State and Business project.

- “Participate for Cananea” projects demanded over 58,096 man hours for benefited 156 institutions through support for school infrastructure building and social development. Benefits include donations of equipment and furniture, and remodeling school and institutions’ facilities. “Grupo Encuentro” organized cultural, educational and recreational activities to get closer to the community.

-The Cananea Library received modern computer and printing equipment to improve its services to over 3000 monthly visitors.

- Grupo Mexico Foundation and Becalos (“Give them a scholarship” in Spanish) Foundation distributed 120 scholarships to teachers and students.

- A baseball field and basketball court were built at the Cananea Institute of Technology.

- A 22 hectare land plot was purchased to build an entertainment center featuring cinemas, shops, a food court, hotel, gym, indoor pool, soccer field, basketball court, baseball field and a jogging track.

-A mining museum will be built at the Entertainment Center.

- Refurbishing of the handicrafts workshop area for training in doing work with copper.

Getting together with kids in San Luis Potosi, Mexico.

- Opening and refurbishing the mine has created major opportunities for suppliers who now have increased their supply of services, parts, repairs, equipment maintenance, etc.

Operations in Peru

Southern Copper promotes sustainable development projects in communities located its area of influence in Tacna, Moquegua, Arequipa and Apurimac regions. Southern Cooper's contributions appear in the framework of its social responsibility policy and are made through the Asociacion Civil Ayuda del Cobre to which Southern Peru contributed $77.2 million between 2006 and 2010. These contributions were included in the mining industry's Solidarity with the People (PMSP by its acronym in Spanish) Program agreed with the Peruvian State. The PMSP concluded in 2010, but unspent amounts were disbursed throughout 2011.

The Program's projects and activities aimed at encouraging partnerships with public institutions and NGOs to achieve maximum benefit for neighboring populations with full respect for existing national laws and regulations, and individual town's cultural traditions.

In 2011, Southern Copper conducted the following programs and/or projects:

Water and road infrastructure

Tacna Region

Through the Asociacion Civil Ayuda del Cobre (ACAC) and an agreement with the National Engineering University (UNI), the Callazas Dam (Candarave). Feasibility Study is being prepared. The study includes the following elements:

Component 1- Study of dam and complementary works;

Component 2- Major infrastructure works for transmission and distribution, irrigation and agricultural development, and

Component 3 - Study of environmental and social impact of the Callazas River water regulation system.

The cost of the study reaches about $1.3 million. The project should ensure the rational and optimal use of irrigation water by building facilities to store 10 million cubic meters of water annually that will be available during the dry season.

Likewise, the feasibility study for improving the Cambay-Camilaca Ilabaya Road has reached its final phase. The project includes two road segments totaling 41.7 kilometers. The road will be widened, ballasted, resurfaced and berms will be built at a total cost of $0.44 million.

Work has continued for building irrigation infrastructure, in partnership with Candarave farmers, at an investment of $0.46 million. We ended improvements on the Patapatani-Santa Cruz connecting canal. New lining along 5.75 km of canals will increase water flow to a 70 liters per second optimal rate. Also, 6.2 km of the Camilaca Tacalaya connection canal were concrete lined.

Santa Cruz water reservoir was rehabilitated, with a capacity of 17,280 m^3, thus raising water flow to 8 liters per second. The total investment in these projects amounted to approximately $1.3 million.

In Camilaca district, in Candarave, the local government is building the Vila Vila reservoir and conduction canall withSouthern Peru's support through ACAC. We provide professional advice, construction materials and personal protection gear for workers. Our contribution reached $0.15 million.

Building our future, social program in Ilo, Peru.

In September 2010, Southern Copper started the pre-investment profile study I for the construction of the Cularjahuira dam and irrigation system, in Camilaca district (Candarave). The pre-feasibility study has been prepared and submitted to the SNIP Project Bank under code number 175950. In December 2011, the study was submitted for evaluation by the Public Investment Projects Unit of Tacna's regional government. This project should benefit 1724 people in Candarave province.

The Candarave modern irrigation pilot program, underway since June 2011, aims at creating awareness among five irrigation water boards (Cairani, Candarave, Huanuara, Quilahuani and Totora) of the importance of adopting modern irrigation technology as a viable technical alternative to mitigate irrigation water loss and soil erosion.

Moquegua Region

Roads were paved and sidewalks built in Pueblo Nuevo (Pacocha district, province of Ilo). Flexible pavement was built over 37,766.17 square meters, including road markings and concrete works (curbs, containment walls, sidewalks). A total 631.07 square meters of paved roads were improved (including resurfacing) or rebuilt. The power grid was likewise improved, including a new layout for the city power grid, at a total cost of $2.7million.

Maintenance and improvement of irrigation infrastructure for the Water Users' Board of Torata. This project benefits 1,200 farmers. It started in mid-2011, with the donation

Scion of oregano in Candarave, Tacna, Peru.

of 186 gates, and repair of seven, which were distributed among the four committees comprised in the Users' Board. Better transport of irrigation water will reduce water loss along driving and connecting canals. Concrete was also provided to install the gates. In 2012, another 276 gates and 67 bags of cement will be donated, while three additional gates will be repaired.

Supporting value chains and sustainable development

Tacna Region

Modernization of dairy farming in Locumba district (Jorge Basadre, Tacna), from September to December 2011. The project was implemented in partnership with the Provincial Municipality of Jorge Basadre and included distributing of 34 milking systems. The project was funded by voluntary contributions managed by ACAC, and benefited 80 farmers located in strategic areas of the Locumba Valley. Automated milking equipment can extract milk better and faster, reducing losses caused by manual milking and especially under conditions of higiene to obtain fresh milk.

Ilabaya Oregano Processing Plant. A project in Borogueña, Ilabaya district, started in September 2011. The technical file included the studies for the primary power grid at 10 Kv and 25 kW distribution substation for the plant. The facilities will provide power for the oregano plant to operate. The power grid has now been completed. Complementary work by the local government is pending.

By strengthening Candarave oregano farmers' competitiveness, Southern Peru expects to expand oregano cropping in Candarave where oregano is the main agricultural produce. For this project, Southern Peru partnered with Taller NGO. The project ran from December 2010 to September 2011 and aimed at improving oregano productivity and enhancing processing and marketing.

Since September 2011, a project funded by FONDOEMPLEO will support oregano farmers for an additional three years. In this project, Southern Peru provides complementary funding for those areas not covered by FONDOEMPLEO.

A specific agreement with AgroRural will introduce quinoa in Candarave's Curibaya and Candarave districts. SPCC support this project launched in November 2011. The program benefits 70 farmers and has planted 15 hectares to quinoa that are now in the fertilization stage.

SME workshops in Jorge Basadre. With CICEF consultancy, three training workshops were taught on how to establish and finance small and microcompanies in the districts of Locumba, Ite and Ilabaya. The workshops were attended by 180 people. This activity took place in August 2011.

Livestock farmers in 17 communities located in the districts of Cairani, Candarave, Huanuara and Quilahuani are particularly interested in our animal health program. Our company provides technical animal health assistance for diseases prevalent in the province. This service is provided individually to each farmer. An average 3,000 cases are examined every year.

The cattle and sheep breeding program is underway in Cairani and Huanuara districts where two breeding centers have been provided equipment, materials and medicines, 355 frozen semen straws, two Brown Swiss and two Holstein breed reproducers. This

program also includes technical training for livestock producers in artificial cattle and sheep insemination. In both districts, 181 cows have been seeded.

Southern also supports the organization, logistics, execution and award giving at farming and livestock fairs in Aricota, Tacalaya, Huaytire and Huanuara (in Candarave province). These events include exhibits of the best individuals of various cattle breeds, South American camelids (animals under controlled seasonal mating), sheep, and Peruvian Paso horses, and typical local plant produce.

The Huaytire Comprehensive Program, in Tacna's Candarave province, has been running since 2007. About 84% of the program has been executed at a total cost of $0.43 million for the benefit of 480 residents of Huaytire town.

This program included the following projects:

- Breeding program of South American camelids, which consisted of: Purchase of 42 reproducers, selection of alpacas with phenotypic and genotypic characteristics suitable for seasonal controled mating, building of breeding facilities, purchase of medicines for animal health care and permanent care for camelids in the area. One of the achievements of this program has been the breeding of 283 specimens of high economic value. The previous value of a local specimen was $54.49. Their current value is an estimated $254.27.Additionally, alpaca fiber price has risen from $1.07 to $3.21 per pound.It is noteworthy that a livestock census in Huaytire revealed an existing herd of 6,521 alpacas, 980 llamas and 354 sheep, and 70 livestock farmers.

- Implementation of 30 eco-friendly stoves that will improve the quality of living for residents of Huaytire by preventing eye and lung diseases resulting from exposure to fumes.

Operation at San Luis Potosi, Mexico.

- Improving conditions for education in pre- school and primary and secondary schools in Huaytire thanks to a donation of school supplies and uniforms.

- Presentation of scholarships to outstanding students in Huaytire so they can pursue further studies at a higher learning school.

- Improved power supply in Huaytire, thanks to a medium voltage electrification system for the Huaytire slaughterhouse, refurbishment of the transmission line and maintenance of the street lighting system.

- To support local fisheries an outboard motor adapted to the type of vessel used locally has helped to enhance safety of small scale fishermen of Huaytire.

Moquegua Region

Technical Training and Agricultural Mechanization Project for Torata District, a project run from November 2010 to November 2011 for the Board of Irrigation Users, benefiting a total of 276 farmers. A farm tractor (including accessories like plow disc and harrow) was donated through an agreement with the Users' Board. The equipment has been used a total 782 machine / hours so far.

Construction of facilities for the Torata Irrigation Water Users' Board. The technical file is now ready and was submitted to Board members. With this file, the building

permit can now be obtained and municipal government needs to commit to provide the construction materials needed for the facility.

Health and Nutrition

Tacna Region

Southern's "Creating Healthy Communities" program continued in 2011:

- 700 eco-friendly stoves with National Construction Training Service certification were installed. These eco-kitchens improve household bypreventing respiratory and gastrointestinal diseases, especially among pregnant women and children under 5. The kitchens were installed in Ancocala, Huanuara, Patapatani and Quilahuani communities (Candarave).

- Preparation of technical profiles and files for Huanuara, Cairani and Ancocala communities. A new agreement was signed with the Ministry of Women and Social Development (MIMDES), the Provincial Municipality of Candarave and the District Municipality of Cairan, to operate 19 "Wawa Wasi" day care centers in Candarave province. Pursuant to this agreement, in 2011, through ACAC, Southern Copper bought equipment and food services for the day care centers, and met with local authorities to identify the land plots and premises for building new facilities for the day cares. Child nutritional assessments, training for mothers, internships for local promoters and organizing management committees were other concomitant activities. The total investment in this program is $0.34 million.

The Candarave Nutrition Project aims at reducing chronic malnutrition and anemia in under 5 by creating of healthy environments and behaviors. The target population of the project are 416 children under five. The project started in June 2011. In the first six months a social baseline was established. Practical training sessions were organized around breastfeeding, nutritional value of food, and personal hygiene. This project is underway in Candarave, Huanuara, Cairani, Curibaya and Quillahuani. The program's $1.26 million funding was provided by ACAC.

Urban Wastewater Treatment Systems Project in the province of Candarave. Forty two percent of the project has been completed to date. The $0.26 million project is estimated to directly benefit 4,141 residents of the province Candarave. The project comprises the building, assembly and commissioning of seven urban wastewater

treatment plants. At present a plant is operating in Quilahuani and another is nearing completion in Huanuara. Building of the remaining five plants is scheduled for next year at a total cost of $0.62 million.

A new safe water system will improve living conditions of 334 people in the Aricota rural community. The reservoir, and the transmission and distribution were completed in 2011 to supply potable water to Aricota community. The investment to date amounts to $0.14 million.

Comprehensive Health Campaign in Jorge Basadre. Health care assistance was provided in 2011 was provided to the people of Locumba district, in Jorge Basadre province (Tacna). Two health campaigns took place in Villa Locumba and Sitana Pampa for a total 661 health care interventions including dentistry, general medicine, internal medicine, pediatrics, and eye care.

Arequipa Region

Southern's support increased supply of consultations, referrals and procedures. State of the art services allowed providing faster and more effective care for low income patients in Arequipa region. A total $0.15 million were invested in this support program.

Equipment for and better care in the Departments of Orthopedics, Physical Medicine and Rehabilitation at the Regional Honorio Delgado Hospital III – Arequipa. This project consisted in the donation of 21 different pieces of medical equipment, including 01 operating table for trauma/orthopedics, 03 ultrasound machines, 03 magnetotherapy kits, 02 electrotherapy kits, 02 shortwave kits, 02 laser therapy kits, 01 pad tank, 01 paraffin kit, 01 home gym and 05 full therapeutic Tens, as well as training for operating these pieces. Our support helped increase provision of care, inter-consultations and procedures, and enhanced the quality of service thanks to advanced technology for quick and effective care to patients with limited economic resources in Arequipa. The total investment reached $150,000.

San Luis Potosi - Mexico

Capacity Building

Tacna Region

Diploma in Management of Public Investment Projects – SNIP, in Jorge Basadre – Tacna. A class taught from September to December 2011, in Locumba and Ilabaya districts, in Jorge Basadre province. Its purpose was to provide 100 officials and town councilors the tools and techniques needed to prepare and assess public investment projects to be submitted to the National Public Investment System.

Moquegua Region

"Building my Dream" is a project to provide 140 women from Moquegua the knowledge and expertise they need to start their own businesses. The program is executed through an agreement with the Regional Government of Moquegua, as part of efforts to create centers to help low income women from Mariscal Nieto and Ilo provinces engage in productive activities. The project's total cost is $0.27 million.

An agreement was signed with the Provincial Municipality of Ilo to integrate and coordinate efforts and resources to promote textile business clusters in Ilo, Moquegua Region". The projects is a joint initiative of the Provincial Municipality of Ilo and Southern Peru to promote the business coordination and partnerships, strengthen garment and textiles micro and small businesses, and train and bring to market potential employers, in order to more competitively meet the needs of Ilo garment and textiles markets. The total project investment is $0.42 million.

In Torata, the Agriculture House opened through an agreement with Torata's District Municipality and the Irrigation Water Users Board. This project will sell low-cost farm inputs (pesticides, fertilizers) and animal's medicines to provide the Board a new source of income and thus greater financial strength.

An agreement was signed with the Irrigation Board to study Torata River's water balance. The study will be carried out by Universidad Nacional Agraria La Molina, and will determine the quantity and quality of water available from the river, thus permitting efficient planning and development of water facilities and use.

The third stage of the Project for Efficient Management of Water Resources in Torata concluded. This project is developed jointly with the Irrigation Users of Torata in the Moquegua region. The program seeks to optimize the management and use of water among farmers and strengthen the Board's institutional and administrative operations. Its main deliverables include: Water Distribution Plan (PDA by its acronym in Spanish)) for the Torata Board; true water flow at delivery points; training of Board members; field trip for Board members to Cajamarca (Chonta River Users Board - Porcon Farm) and training and public outreach events through publications and talks about the new Water Act (Law No. 29338), widely attended by Torata farmers and villagers.

An institutional strengthening and support agreement with the Board of Irrigation Users Torata that will run for three years will provide financial support to cover operating and operating expenses to help meet its objectives.

Rural Internet Project in Yacango (Mariscal Nieto Province), implemented during 2011, for the benefit of 1,200 local residents. The project consisted in providing training for farmers, students and the public at large on computer skills, development

Packing at the moly plant at the Cuajone Concentrator.

and capacity building for governance to manage and implement resource leverage projects.

Primary education and other educational and technical training support

Tacna Region

Technical and Job Training Program - in Jorge Basadre province. A project implemented from October 2011 with Santa Maria Catholic University and TECSUP vocational training School as project operators. Course offerings include front loader operator, ITCs, boiler operator and welder, electricity, amounting and alignment, modern irrigation and diesel engines mechanics. Classes began in mid-November and now have now completed the first course module with 367 students enrolled. The project's $1.02 budget was funded by ACAC.

Arequipa Region

Through an agreement with TECSUP, a private vocational training organization, Southern's grants program benefited young students from Islay province.

Funding

Southern Copper promotes better quality of living among its neighboring communities through ACAC, which manages and invests funds from the mining industry's "Solidarity with the People" program on sustainable social development projects. In 2011, Southern set up a Local Fund worth $3 million and a Regional Fund totaling $11.6 million for the benefit of Tacna, Moquegua, Arequipa and Apurimac regions.

TABLE Nº 01

Funds Set

ANNUAL DEPOSITS (IN MILLIONS)

Period	Regional	Local	Truth Commission	Total Funds Deposited
2007	14.48	3.77	0.60	18.86
2008	14.96	3.90	0.62	19.47
2009	10.72	2.79	0.45	13.96
2010	7.34	1.91	0.31	9.56
2011	11.64	3.03	0.48	15.15
TOTAL	59.14	15.40	2.46	77.00

Source: Asociacion Civil Ayuda del Cobre (ACAC)

Train hauling mineralized material to Cuajone concentrator, Peru.

$2,336.4

MILLION IN NET INCOME ATTRIBUTABLE TO SCC

CASH COST PER POUND OF COPPER
PRODUCED WAS $0.415 IN 2011

RESULTS OF OPERATIONS

the years ended December 31, 2011, 2010 and 2009.

The Company reported 2011 net income attributable to SCC of $2,336.4 million or diluted earnings per share of $2.76, compared with net income attributable to SCC of 1,554.0 million or diluted earnings per share of $1.83 in 2010, $929.4 million or diluted earnings per share of $1.09 in 2009.

Operating cash cost: The Company presents its operating costs both including and excluding the revenues of its byproducts (molybdenum, silver, sulphuric acid, etc.). 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.

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

	2011	2010	2009
		(cents per pound)	
Cash cost per pound of copper produced	41.5	18.0	41.1
Cash cost per pound of copper produced, (excluding by-products revenue)	165.7	152.0	141.1

As seen on the chart above, our cash cost per pound for 2011 when calculated with by-products revenue is 41.5 cents per pound compared with 18.0 cents per pound in 2010. The increase in 23.5 cents per pound in production cost mainly power and fuel cost due to increased market prices, and less credit in our by-products, by less volume and molybdenum prices.

Net Sales: Net sales in 2011 were $6,818.7 million, compared with $5,149.5 million in 2010, an increase of $1,669.2 million. The increase was principally a result of

higher copper sales volume from Buenavista, which reaches its full capacity by the second quarter 2011 and a higher average copper, silver, zinc prices.

The increase in metal prices was a result of improvements in the global economy and, balance between supply and demand.

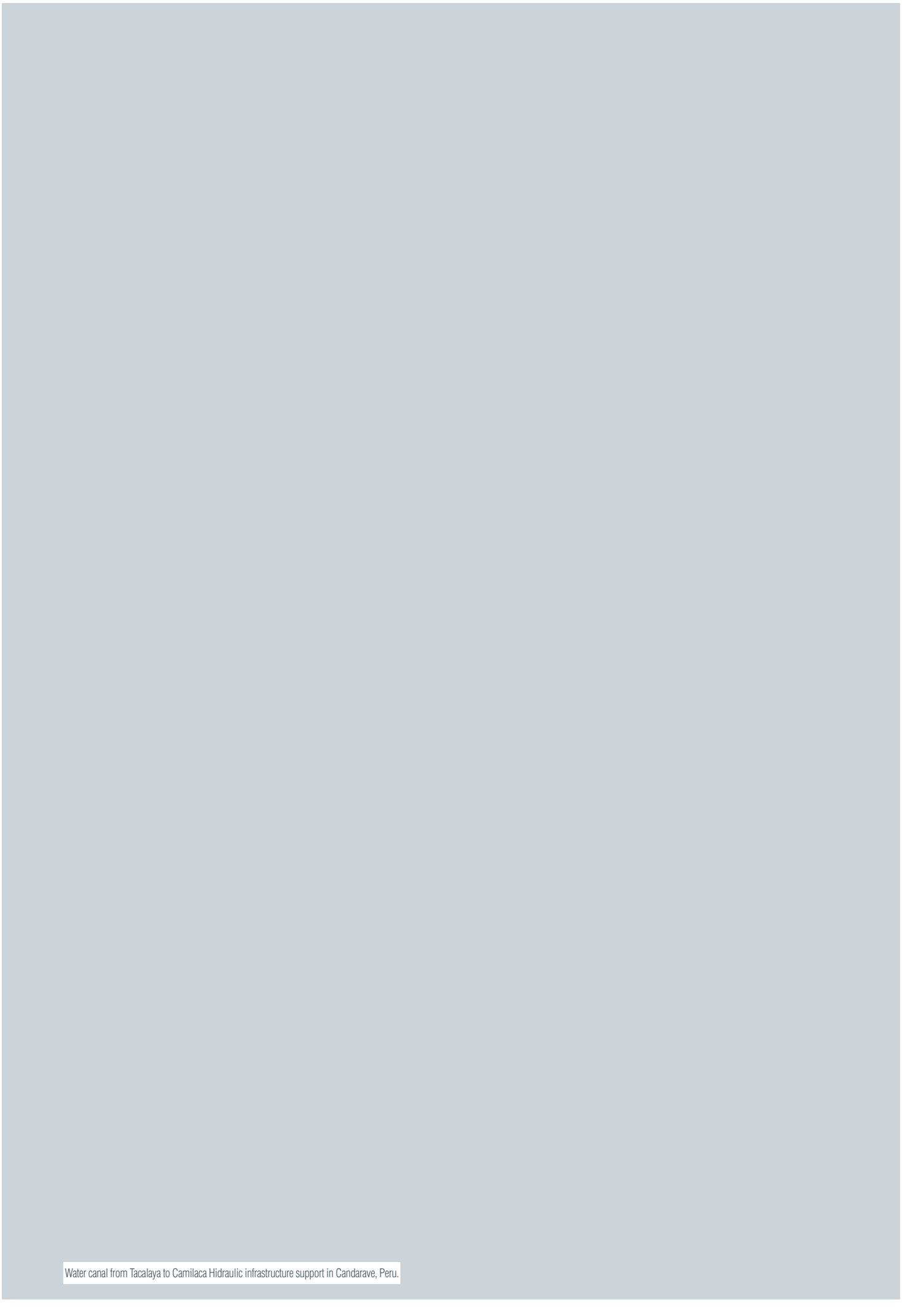
Net sales in 2011 include a gain of $13.5 million on copper hedges, compared with loss of $41.9 million in 2010.

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

Price / Volume Data	**2011**	2010	2009
Average metal prices			
Copper (per pound – LME)	$ 4.00	$ 3.42	$ 2.34
Copper (per pound – COMEX)	$ 4.01	$ 3.43	$ 2.35
Molybdenum (per pound)	$ 15.33	$ 15.60	$ 10.91
Zinc (per pound – LME)	$ 0.99	$ 0.98	$ 0.75
Silver (per ounce – COMEX)	$ 35.18	$ 20.18	$ 14.67

SALES VOLUME (in thousands)	**2011**	2010	2009
Copper (pounds)	1,320,467	1,106,067	1,117,774
Molybdenum (pounds) [1]	41,081	45,213	40,984
Zinc (pounds)	199,879	207,151	228,927
Silver (ounces)	14,161	15,450	18,169

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



Water canal from Tacalaya to Camilaca Hidraulic infrastructure support in Candarave, Peru.

$13.9

MILLION IN ENVIRONMENTAL CAPITAL EXPENDITURES IN 2011

THE COMPANY HAS INSTITUTED EXTENSIVE ENVIRONMENTAL CONSERVATION PROGRAMS AT ITS MINING FACILITIES

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.

Environmental capital expenditures in years 2011, 2010 and 2009, were as follows (in millions):

	2011	2010	2009
Peruvian operations	$ 2.4	$ 6.4	$ 2.4
Mexican operations	11.5	10.2	25.1
	$ 13.9	$ 16.6	$ 27.5

Operaciones en Mexico

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.

In addition, on August 30, 2011, amendments to the Civil Federal Procedures Code ("CFPC") were published in the Official Gazette and will be effective on February 29, 2012. These amendments establish 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 amendments to the CFPC may result in more litigation, with plaintiffs seeking remedies, including suspension of the activities alleged to cause harm.

San Luis Potosi - Mexico

On December 5, 2011, the Senate Chamber approved the Environmental Liability Federal Law which establishes general guidelines in order to determine which environmental actions will be considered to cause environmental harm that will give rise to administrative responsibilities (remediation or compensations) and criminal responsibilities. Also economic fines could be established. This initiative has been turned to lower chamber for discussion and voting. The law will be in force once approved by the lower chamber and signed by the President.

In March 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 $22.5 million as of December 31, 2011. The Company expects concluded this program in 2013. 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

San Luis Potosi - Mexico

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.

ENVIRONMENTAL INITIATIVES

San Luis Potosi Copper Plant Closes

In March, the Company reported to the Secretariat of Environment and Natural Resources the copper plant would be definitively decommissioned. The plant had been operating since 1892. At an investment of $35.7 million Minera Mexico began with the first phase of the project which involved the closing of facilities, quantification and characterization of waste, licensing of confinements, integrated management of hazardous waste, and decommissioning, cleanup and containment of hazardous waste generated. The second stage of the project will involve soil remediation actions to adapt the site to residential, commercial and recreational land use patterns under

the provisions of San Luis Potosi's Urban Development and Ecological Plans of San Luis Potosi. Neighboring communities will benefit from the mine's closure thanks to development of residential areas, gardens, schools and shopping centers.

Mexico joins the Mexican Stock Exchange's Sustainable IPC Index

In December, the Mexican Stock Exchange included Grupo Mexico among the 23 highest rated issuers for their environmental performance, social responsibility and corporate governance in its IPC Sustainable Index. The six main environmental parameters used in the index are efficient use of water, water discharges, air emissions, responsible management of hazardous and nonhazardous waste.

Belonging to the Mexican Stock Exchange's first ever sustainability index is a source of pride because it shows the importance of and the company's commitment to social responsibility, environmental sustainability and corporate governance.

Cleaner Industry Certification

During 2011, Minera Mexico received 13 Cleaner Industry Certificates for its operating plants and three Environmental Quality Certificates awarded to its automotive and heavy machinery service shops awarded by the Federal Environmental Protection Office (PROFEPA), thus becoming the mining company with the highest number of awards in this field.

Tree farming

Trees grown in our Ponds, Guaymas, San Luis Potosi and Nacozari nurseries reached a total 1,845,000 trees, keeping the lead in this activity within the national mining activity.

Renewable energy projects: Power generation using solar cells and solar water heating.

With an investment of $304,000 a solar cell power project took shape in the explorations corporate offices in Hermosillo, Sonora. This system has 10 solar cells towers, eight of which are 60 m^2 and another two are 40 m^2. The system follows the sun in its journey across the sky and generates over 210,000 kWh of energy annually. This project is the largest and most advanced of its kind not only in the state of Sonora, but in Mexico and will result in 118 ton lower atmospheric emissions of CO_2.

Mexico's plentiful sunlight and conditions in Sonora State make Cananea an ideal location to use non-polluting, environmentally-friendly low cost solar water heating.

The total heating surface of the mine's six thermal projects reaches 270 m^2 with storage capacity totaling 27,305 liters of hot water. The system cost $110,000 and generates over 464,000 kWh of energy annually. By replacing gas heaters, it will reduce CO_2 emissions by 127 tons.

PET Recycling

For the third year in a row, Minera Mexico was recognized as the company that recycles more PET bottles in Sonora. The proceeds from recycling are turned over to the Red Cross in Esqueda, Sonora.

Environmental Cooperation Program

Mexicana de Cobre was recognized by the Ministry of Environmental Affairs and Natural Resources and the Employers' Confederation of Mexico, for participating

in the of the III National Waste Recycling Contest in the category Special Waste Management category to which it submitted the “Life Saving Recycling “ project.

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 MINEM. As part of the closure plans, the Company is providing guarantees to ensure that sufficient funds will be available for the asset retirement obligation.

Toquepala mine, Peru.

4,159 employees in Peruvian Branch.

SCC

INDIRECTLY, MAKES PART OF GRUPO MEXICO

SCC, INDIRECTLY, MAKES PART OF “GRUPO MEXICO S.A.B. DE C.V.”
WHO OWNS AMERICAS MINING CORPORATION (“AMC”)

GENERAL INFORMATION

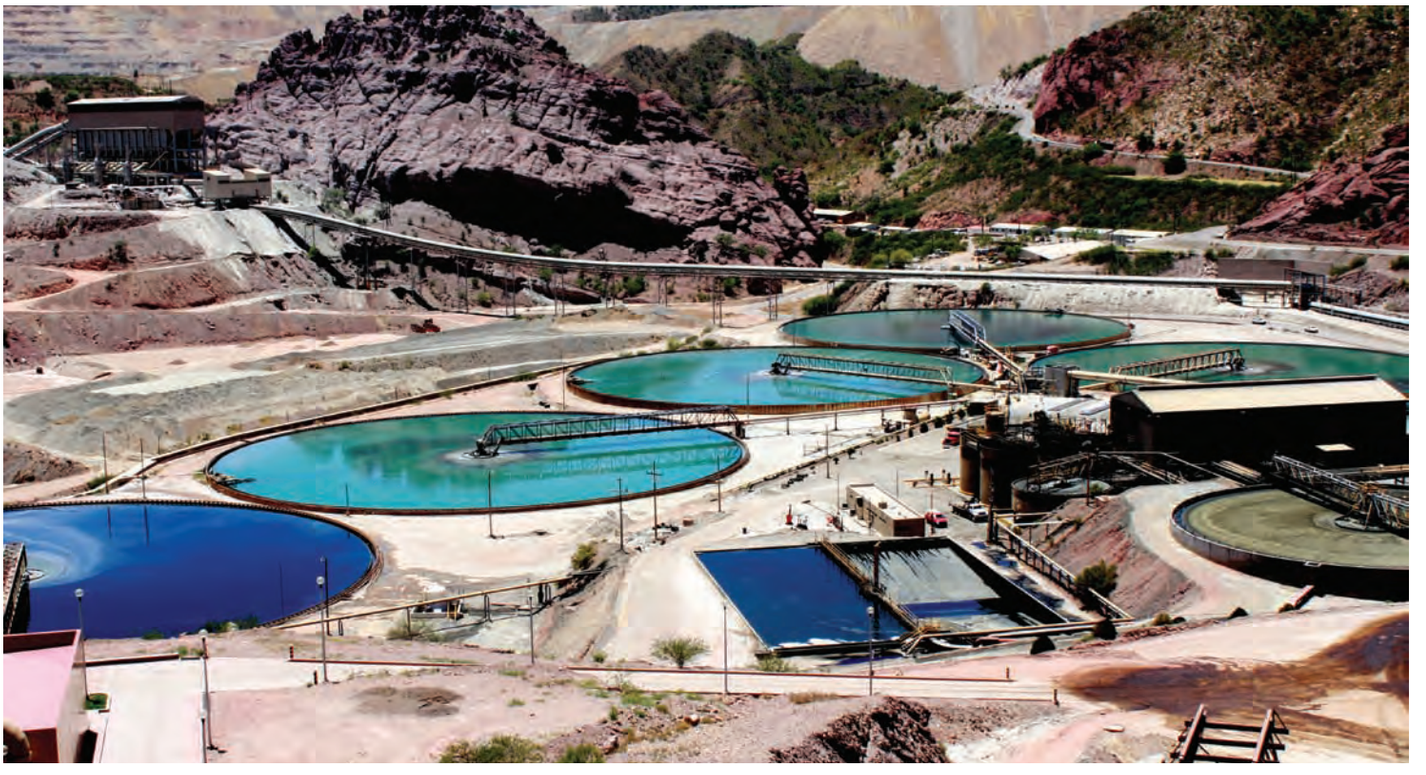
Information related to its constitution and their inscription in the Public Registry:

See: “Brief historical review from the constitution of the Company” on page 74.

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.

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.



La Caridad concentrator at Hermosillo, Mexico.

Operadora de Minas e Instalaciones Mineras S.A de C.V. (the “Buenavista unit”) operates Buenavista, formerly named Cananea, an open-pit copper mine, which is located at the site of one of the world’s largest copper ore deposits, a copper concentrator and two SXEW plants. The Buenavista mine was operated until December 11, 2010 by Mexicana de Cananea S.A. de C.V. and by Buenavista del Cobre S.A. de C.V. from that date until July 2011. Industrial Minera Mexico, S.A. de C.V. (together with its subsidiaries, the “IMMSA unit”) operates five underground mines that produce zinc, lead, copper, silver and gold, a coal mine and a zinc refinery. Effective February 1, 2012, Minerales Metalicos del Norte S.A was merged with Industrial Minera Mexico S.A. de C.V. (IMMSA). IMMSA absorbed Minerales Metalicos del Norte S.A.

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”).

	Name of the company SEVERAL ACTIVITIES	Domicilio	Inscripcion in the RPMV	%
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.		100
5	Southern Copper Corporation (SCC)	EE.UU.		80.9
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

Nota:

1. Incluye 82.69% del patrimonio y 16.60% de las Acciones de Inversion.

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	80.9%
Common Shares	160,980,000	19.1%
Total	840,980,000	100.0%

Authorizations Obtained for the Development of the Business

Operations in Mexico

La 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 March 1999.

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.- Coquizadora Coal Plant, in Coahuila Unit, has a capacity of 105,000 tons of coke per year.

7.- La Refineria de Zinc cuenta con una capacidad de produccion de 288 t/d de zinc refinado.

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 Concentra tor 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.

Drilling area at Buenavista del Cobre mine, Mexico.

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).

Lime plant of Agua Prieta at La Caridad, Hermosillo, Mexico.

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%.

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.

SCC 500 Million Share Repurchase Program

In 2008, the Company´s Board of Directors authorized a $500 million share repurchase program. On July 28, 2011, the Board of Directors approved an increase of the SCC share repurchase program from $500 million to $1.0 billion. Pursuant to this program, the Company purchased common stock as shown in the table below. These shares are available for general corporate purposes. The Company may purchase additional shares of its common stock 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. Pursuant to this program, we purchased 42.5 million shares of our common stock at a cost of $730.7 million.

As a result of the repurchase of shares of SCC's common stock and purchases by AMC of shares of SCC's common stock, Grupo Mexico's direct and indirect ownership increased to 80.9% at December 31, 2011.

Americas Mining Corporation ("AMC") 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 Corporation and AMC, the parent company of Asarco, LLC ("Asarco"). On October

Starting cells at the Ilo copper refinery, Peru.

28, 2011, AMC announced, in light of discussions with a special committee of our independent directors, that it had withdrawn the proposed transaction to combine AMC and Southern Copper Corporation.

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

SXEW plant in Toquepala, Tacna, Peru.

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

Sulphuric acid shipment from Ilo smelter plant, Peru.

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 $10.0 million.

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 80.9% of SCC shares.

Information about plans and investment policies:

See Expansion and Modernization Program on page Nº 010.

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.

Special Mining tax

In September 2011, the Peruvian government enacted a new tax for the mining industry. This tax is based on operating income and its rate ranges from 2% to 8.4%. It begins at 2% for the first 10% of operating income margin and for each additional 5% of operating income margin is increased by an additional rate of 0.4% until 85% of operating income margin is reached. In the last quarter of 2011 we made provisions of $16.4 million for this tax. This provision is included as “income tax” in the consolidated statement of earnings.

Mining Royalty

Since 2004, Peruvian operations are subject to a royalty from 1% to 3% charge, based on sales, and calculated on the value of the concentrates produced at our Toquepala and Cuajone mines. We made provisions of $52.5million, $65.5 million and $43.7 million in 2011, 2010 and 2009, respectively, for this charge.

In September 2011, the Peruvian Congress approved an amendment to the mining royalty charge. The new mining royalty charge is based on operating income margins with graduated rates ranging from 1% to 12%, with a minimum royalty charge assessed at 1% of net sales. If the operating income margin is 10% or less, the royalty charge is 1% and for each 5% increment in the operating income margin, the royalty charge rate increases by 0.75%, up to a maximum of 12%. In the last quarter of 2011, we made provisions of $19.3 million for this charge.

Mining Safety:

Operaciones en Mexico

Foro Corporativo de Celulas de Seguridad

From 29 to 30 November Minera Mexico’s Safety Cell Corporate Forum took place in the Mexico City offices. Participants - all unionized employees - came from all business units.

The participants presented proposals to reduce the likelihood of occupational hazardous events.

The jury included MSc. Gabriel Ramirez, coordinator for mining engineering, at the Autonomous University of Mexico's Department of Engineering; engineer Florencio Olivera Polo, head for occupational safety at the Mexican Social Security Institute; Juan Carlos Sanchez Vargas, head for innovation and promotion at the Ministry of Labor's Inspections Department; and Carlos Perez Castillo, instructor and auditor for OHSAS 18001 with BSI Mexico.

Acknowledgments

- Mining Chamber of Mexico. "XI Competition of Underground Mine Rescue Crews and First Aid".

  During the XI National Mine Rescue Crews Competition of 2011, the Santa Barbara unit won the second place in the test "Benchman Biopack Biomarine".

-"Chairman's Award"

Awarded by the Chairman of Minera Mexico to the business unit with the lowest annual accident rate, in 2011, the award went for the second time to the Nueva Rosita plant that recorded no accidents and achieved a zero loss time ratio.

Safety, Health and Hygiene Week

From 5 to 9 September all plants and business units organized the first "Safety, Hygiene and Health Week", an event developed for the first time, simultaneously in all operating units, the Hermosillo regional offices and at corporate HQ in Mexico City.

Event activities included lectures, talks, workshops, safety and health fairs, sports tournaments, exhibition of works in the company's Community Centers, orientation sessions on preventive health and safety activities for our employees' families and the community at large.

The Safety, Hygiene and Health Week has been considered a tool for improving and preserving safe and healthy environments as a factor in the prevention of occupational hazards through the participation of all personnel of the company.

The success of this event reflects the interest and commitment of each and every one of our colleagues and partners to acquire new tools and enhance knowledge on prevention aspects and safe work, with the sole purpose of safeguarding the lives and physical development and better do their jobs.

Occupational Health and Safety Information System

An IT system was designed to streamline processes and avoid information mistakes. Users need only download data only once to view all general occupational health and safety statistics.

The program records all safety related statistics (accidents, preventive and corrective actions, data analysis, etc.) and health data (disabilities, regular checkups, data analysis). It was designed to merge in a single IT tool all data captured by the various business units' safety departments.

So far the system has been evaluated in Charcas, Santa Barbara, Nueva Rosita plant and the Zinc Refinery and their staff have been trained to use it. This program has been scheduled to be rolled out formally in the first quarter 2012.

Peruvian Operations

The Safety and Health results in 2011, 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 2.6, Severity Index 1461.5 and

Accidentability rate 3.9; these indicators correspond to 25 lost time accidents and 2 fatal accident were registered in Toquepala Unit.

The Ilo Unit received in 2011 and recognized in Smelter and Refinery category in the XIV National Mining Safety, organized by The Safety Mining Institute, The Ministry of Mining, OSINERGMIN, Mining Institute, Mining Society and Engineering Society.

Generic Description of Main Assets

Mexican Operations

Buenavista del Cobre

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 50 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, N°1 crushing system has a capacity of 32,000 tons per day, and includes an apron

Wire plant at La Caridad, Hermosillo, Mexico.

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 99.99% purity.

We intend to increase the Buenavista unit's production of copper cathodes with a new SXEW plant (SXEW III), with an annual capacity of 120,000 tons. The plant would produce copper cathodes of ASTM grade 1 or LME grade A. For more information, please see "Capital Investment Programs" under Item 7 of our Form 10-K for further information.

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-four trucks for ore hauling with capacity of 240 tons and three with capacity 360 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 637.4 million tons of leaching ore with an average grade of approximately 0.235% copper have been extracted from the La Caridad open-pit mine and deposited in leaching dumps from May 1995 to December 31, 2011. 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.

Powder Treatment Plant and Effluences

It was built to process powders produced in copper smelter and other metal mining operations. With a capacity of 3,100 tons per year, to produce 720 tons of copper

byproducts and 11,000 tons of lead concentrate. This plant meets the objective no to produce hazardous waste from La Caridad metallurgical complex.

UNDERGROUND MINES (IMMSA)

UNIDAD MEXICANA 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 eighteen jumbo drilling tools, nineteen scoop trams for mucking and loading, ten trucks and three 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.

Mining operations in Santa Barbara are more diverse and complex than our other mining operations, with streaks of approximately 21 miles long. Each of the three underground mines has several wells and crushers. Due to variable characteristics the deposits are mined using four methods: by contraction, open drilling deep holes, cut and fill and horizontal bench. To produce concentrates, ore crushed is processed in the flotation plant, with a capacity of 5,700 tons per day. Lead concentrate is refined by third parties in Mexico. Copper concentrates were treated in San Luis Potosi smelter, and zinc concentrates are refined in San Luis Potosi or exported. Copper concentrates are treated in La Caridad smelter.

The major mine equipment at Santa Barbara includes twenty-one jumbo drilling tools, one Simba drilling tools, forty-three scoop trams, fourteen trucks and eleven locomotives for internal ore haulage, six 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. For more information please see note 14 “Commitments and Contingencies” of our Form 10-K.

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.

San Martin mine used cut and fills horizontal method. Ore broken is hauled to underground crusher. Then, ore fed the flotation plant to produce concentrates, with a capacity of 4,400 tons of ore per day. Lead concentrate is treated by third party refinery in Mexico. Copper concentrate is treated in La Caridad smelter, and zinc concentrate is treated in San Luis Potosi refinery or is sold to third parties.

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.

Santa Eulalia district is connected to Chihuahua City by paved road (Highway No. 45), ten kilometers from this, turnoff paved to Aquiles Serdan and Francisco Portillo (also known as Santo Domingo), where our offices are located and Buena Tierra mine. Access to Buena Tierra and San Antonio mines is via 11 kilometers unpaved.

The Santa Eulalia mine suspended its operations from October 2000 to December 2004, and during that time was completed rehabilitation work on San Antonio well and pipes were installed to expand its pumping capacity to 10,500 gallons per minute.

In January 2005, Santa Eulalia resumed its operations. In May 2010, the Santa Eulalia mine suspended its operations due to breakage dam. In 2011, rehabilitation works were interrupted by a second flood that required extending pumping labor. At 31 December 2011, rehabilitation works continue, concluded pumping system, and drain plug is under construction, we expect to restore mine production in May 2012. Total expenditure was $ 21.5 million as of December 31th, 2011.

The flotation plant which produces concentrates of lead and zinc, with a capacity of 1,500 tons of ore per day. Lead concentrate is treated by third parties refinery, and zinc concentrate is treated in our San Luis Potosi refinery.

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. Please see Note 15 “Commitments and contingencies” to our consolidated financial. 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.

We employ shrinkage, cut-and-fill and the room and pillar mining methods at the Taxco mines. The flotation plant has a capacity of 2,000 tons of ore per day. The lead concentrate is treated at a third party refinery in Mexico. The zinc concentrate is either treated at the San Luis Potosi zinc refinery or exported.

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.

The coke oven installation supplied the San Luis Potosi copper smelter with low-cost coke, resulting in significant cost savings to the smelter. The production is now sold to Industria Penoles and other Mexican consumers in northern Mexico. We expect to sell 72,117 tons of metallurgical coke in 2012.

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 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 $35.7 million at December 31, 2011. We expect to complete this program in 2013 and 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 41 mining concession over 13,859 hectares outside the above Economic Administrative Units.

   Overall the Toquepala Production Unit holds 100 mining concession over 30,977 hectares.

2. Major mine drilling equipment includes,

a) Drilling equipment:
   Two P&H 100XP,
   One P&H 120A
   Two Bucyrus 49R-III,

Three Bucyrus 49HR,
One pre-split drill Down-the-Hole (DTH) Titon 600,
One Cubex 1120.

b) Loading equipment
One P&H 4100+ shovel with a capacity of 60 cubic yard,
Two P&H 4100A shovels with a capacity of 56 cubic yard,
One BUCYRUS 495BI shovel with a capacity of 56 cubic yard,
Three BUCYRUS 495 HR shovels with a capacity of 73 cubic yard,
One P&H 2100 shovel with a capacity of 73 cubic yard,
One LE TOURNEAU L-1400 front-end loader, with a capacity of 28 cubic yard.
One CAT 994F front-end loader, with a capacity of 23 cubic yard.

c) Auxiliary equipment,
One CAT D11-R crawler,
One CAT D10-N crawler,
Two CAT D10-R crawlers,
One CAT D10-T crawler,
One CAT 973 crawler,
One front loader CAT 996C.

Three KOMATSU D375A crawler,
One CAT 16-H motor grader,
Two CAT 24-H motor grader,
One CAT 24M motor grader,
Three KOMATSU WD600 wheel tractors,
Two CAT 844C wheel tractors,
Four CAT 834H wheel tractors,
One pre-split drill PC-300,

Four irrigation tanks with a capacity of 20,000 gallons.
One irrigation tanks with a capacity of 20,000 gallons.

3. Haulage equipment:

28 KOMATSU 930E1, E3 y E4 trucks, each with a capacity of 290 tons,

Five CAT 793C trucks each one with a capacity of 218 tons,
13 CAT 793D trucks each one with a capacity of 218 tons,
One CAT 797F trucks with a capacity of 363 tons,
18 KOMATSU 830E trucks each one with a capacity of 218 tons.

4. "Toquepala Concentrator" Beneficiation Plant, with milling capacity of 60,000 tons per day, consists of 1 primary crusher, 3 secondary crushers, 6 tertiary crushers, 8 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-66 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, 1 recycled water pipe line. A molybdenum plant with a capacity of 2,000 tons per day, equipment is as follow: 35 WENCO 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 3 mining concessions over 779 hectares, outside the above two Economic Administrative Units.

   Overall, the Cuajone Production Unit comprises of 42 mining concessions over a 16,280 hectare surface.

2. Major mine drilling equipment includes,

a) Drilling equipment:
Two P&H 120A,
One P&H 100XP,
One BUCYRUS BE49RIII,
One BUCYRUS BE49HR y
One pre-split drill Rock – L8 diesel,

b) Loading equipment

Two P&H 4100A shovels with a capacity of 56 cubic yard,

One BUCYRUS 495 BII shovel with a capacity of 56 cubic yard,

One BUCYRUS 495HR shovel with a capacity of 73 cubic yard,

One P&H 2800XPB shovel with a capacity of 42 cubic yard,

One LE TOURNEAU 1800 front-end loader, with a capacity of 33 cubic yard.

c) Auxiliary equipment:

Three CAT 966 de 3.8 m3 front-end loader,

Two CAT 988 de 6.1 m3 front-end loader,

Four CAT- 824 wheel tractor,

Two CAT 834 wheel tractor,

One KOMATSU WD 600 wheel tractor,

Ten CAT D-10 crawler,

Two CAT-16H y M motor grader,

Three CAT- 24-H y M motor grader,

3. Haulage equipment:

15 KOMATSU 930E1 trucks each one with a capacity of 290 tons,

19 KOMATSU 830E trucks each one with a capacity of 218 tons.

Nine CAT 793C and D trucks each one with a capacity of 231 tons,

One CAT 797F trucks with a capacity of 360 tons.

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-D OLIVER of 661,350 (ft3),

5 WENCO 60 metric cubic flotation cells, 1 LAROX filter press PF96,1FLSmidth filter press M1500FBM, 24 middling thickeners, 3 tailings conventional thickeners, 1 high-rate tailings, 1 VOLVO FM12 truck, recycled water pipe line. The molybdenum plant with a capacity of 2,358 tons / day, its equipment 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, 24 cells DENVER SP18 with a capacity of 25 ft3 and other equipment. 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, two front end loader, 1 rock breaker, one truck with a capacity of 225 tons and three trucks each one with a capacity of 113 ton 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 with two crawlers, one D9 tractor and one D10 tractor for stripping works, ore rip and irrigation systems distributed in the south dump and for the northwest dump. There are three pumping systems with 12 pumps. The percolation solution, or PLS, of the dumps are stored in 5 collection dams from which the solutions (PLS) are pumped by nine pumped stations with total 23 pumps.

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. Additionally, one semi-automatic WENMEC delaminator with a capacity of 300 plates per hour, and one P & H crane with a capacity of 11 tons.

ILO METALLURGICAL COMPLEX

1. The Ilo metallurgical complex has one Administrative & Economic Unit named ILO with 16 non-metallic mining concessions over 2,519 hectares. Additionally, the metallurgical complex has 6 mining concessions over 2,012 hectares outside the

San Luis Potosi, electrolytic refinery, Mexico.

above Economic Administrative Units. Overall the Ilo Production Unit holds 22 mining concession over 4,531 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 1,317 tons of 95% oxygen per day. The oxygen is used in the ISASMELT furnace, separation furnaces and Peirce Smith converters.

5. Ilo refinery and 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, y three rectifiers: 40 KA, 30 KA y 25 KA, with the two first, the refinery reach a nominal capacity of 280,000 metric tons of copper refinery per year. he precious metals plant with 1 Wenmec selenium reactor, 1 Copella furnace, 26 silver electrorefining cells and 1 hydrometallurgical system for gold recovery.

   Additionally the Refinery has one desalination plant (1000 m3 / d), with a capacity of 1,000 m3 per day of distillated water

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, 13 slidedump cars, 91 flat cars, 249 boxcars, 8 closed boxcars, 11 closed hopper-type cars, 34 open hopper-type cars, 36 various tank wagons, 49 sulfuric acid tanks, 5 patrol cars, 6 railcars.

Employees

MEXICAN OPERATIONS					
At December 31	**2011**	2010	2009	2008	2007
Employees	1,979	1,919	1,735	1,836	2,108
Workers	5,996	5,257	5,851	5,973	6,404
Total	**7,975**	7,176	7,586	7,809	8,512

PERUVIAN OPERATIONS					
At December 31	**2011**	2010	2009	2008	2007
Employees	2,031	1,999	1,941	1,912	1,895
Workers	2,128	2,003	1,976	1,756	1,702
Total	**4,159**	4,002	3,924	3,668	3,597

CHILEAN OPERATIONS					
At December 31	**2011**	2010	2009	2008	2007
Total	**10**	10	11	10	10

CORPORATE OFFICE					
At December 31	**2011**	2010	2009	2008	2007
Total	**1**	1	7	7	7

TOTAL EMPLOYEES IN SCC					
At December 31	**2011**	2010	2009	2008	2007
Total Mexico	7,975	7,176	7,586	7,809	8,527
Total Peru	4,159	4,002	3,924	3,668	3,597
Total Chile	10	11	10	10	10
Total Oficina Corporativa	1	7	7	7	7
Total	**12,145**	11,189	11,522	11,494	12,141

Flotation cells at the Cuajone concentrator, Peru.

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

La Caridad smelter, Hermosillo, Mexico.

Mr. Raul Jacob Ruisanchez acts as Director of Comptroller and Finance since September 2011. Previously, Mr. Jose N. Chirinos acts as Director of Comptroller and Finance. 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.

Los Charcas mine, San Luis Potosi, Mexico.

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.

During 2008 and 2011, the Company and AMC had bought shares periodically (See pages 76 and 77).

On December 31, 2010, there were of record 840,980,000 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.

In July 2005, SCC issued $200 million 6.375% Notes due 2015 and $600 million with a discount of $1.1 million, 7.5% Notes due 2035, with a discount of $5.3 million. The notes are senior unsecured obligations of the Company. The notes are senior unsecured obligations of the Company. The Company capitalized $8.8 million of costs associated with this facility and its unamortized balance is included in "Other assets", non-current on the consolidated balance sheet. The net proceeds from the issuance and sale of the notes were principally used to repay outstanding indebtedness of the Company and the balance was used for general corporate purposes.

In January 2006, SCC completed an exchange offer for $200 million, 6.375% Notes due 2015 and $660 million, 7.5% Notes due 2035. In the exchange offer, $197.4 million of the 6.375% old notes due 2015 were tendered in exchange for an equivalent amount of new notes and an aggregate of $590.5 million of the 7.5% old notes due 2035 were tendered in exchange for an equivalent amount of new notes. The indentures relating to the notes contain certain covenants, including limitations on

liens, limitations 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, 2011, SCC is in compliance with these cov¬enants.

On May 9, 2006, SCC issued $400 million 7.5% Notes due 2035. These Notes are in addition to $660 million, 7.5% Notes due 2035 which were issued on July 2005. The notes are senior unsecured obligations of the Company. The net proceeds from the issuance and sale of the notes were principally used in the Company expansion program.

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, 2011 was 0.7705%).

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, 2011, SCC is in compliance with these covenants.

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, 2011, Minera Mexico is in compliance with this covenant.

We expect that we will meet our cash requirements for 2012 and beyond from internally generated funds, cash on hand and from additional external financing if required.

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 January 26, 2012 Standard & Poors (S&P) raised its long-term corporate credit rating on our Company, as of its parent companies, Grupo Mexico and Americas Mining Company, to BBB from BBB-. Also, S&P raised its ratings on our senior notes to 'BBB' from 'BBB-'. S&P noted that these rating increases reflect its assessment of a satisfactory business risk profile, supported by the low cash cost structure, geographic diversity, position as one of the world's largest copper producer, vertical integration and long-life reserves.

Members of the Board of Directors at December 31, 2011

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.

Oscar Gonzalez Rocha
Director.

Mr. Gonzalez Rocha has been our President since December 1999 and our Chief Executive Officer since October 21, 2004. He has been a director of the Company since November 1999. Mr. Gonzalez Rocha has been the Chief Executive Officer and a director of Asarco LLC (integrated US copper producer), 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 initiated his professional career in 1971 with Grupo Mexico. 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). Mr. Gonzalez Rocha initiated his professional career in 1971 with Grupo Mexico.

Emilio Carrillo Gamboa,
Director.

Mr. Carrillo Gamboa has been a director of the Company since May 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 nondiversified 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 College of Mexico. 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. Since April 2011 to date, Mr. Castillo Sanchez Mejorada has been Co-Head of Wholesale Banking of Grupo Financiero Banorte, S.A.B. de C.V. ("GFNorte"). From October 2000 to March 2011, Mr. Castillo Sanchez Mejorada was the Chairman of the board and Chief Executive Officer of Ixe Grupo Financiero, S.A.B. de C.V. ("Ixe GF"), a Mexican financial holding company that merged into GFNorte as of April 2011. 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; Medica Sur, S.A.B. de C.V., a Mexico-based company engaged in the hospital business; 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, S.A. de C.V. 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 was the Chairman of the Mining Chamber of Mexico from November 2006 to August 2009. 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, 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 board 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 University of the Pacific, Lima, Peru.

Gilberto Perezalonso Cifuentes
Director.

Mr. Perezalonso has been a director of the Company since June 2002 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), Intellego (technology), Telefonica Moviles 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 is 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), and of AMAIT (an international airport in Mexico). Mr. Ruiz Sacristan holds a Bachelor's degree in Business Administration from the Anahuac University of Mexico City, and an MBA degree from Northwestern University of Chicago.

EXECUTIVE OFFICERS

German Larrea Mota-Velasco

Chairman of the Board of Directors

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

Raul Jacob Ruisanchez

Comptroller

Jose de los Heros Ugarte

Vice-President, Commercial

Vidal Muhech Dip

Vice-President, Projects

Remigio Martinez Muller

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 80.86% of the stock of the Company, as of December 31, 2011. 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 Cifuentes, and Emilio Carrillo Gamboa, the three members of the Company's Audit Committee, are independent of management and financially literate in accordance with the requirements of the NYSE and the Securities and Exchange Commission ("SEC"), as such requirements are interpreted by the Company's Board of Directors in its business judgment. In 2011, we had three special independent directors nominated by the Special Nominating Committee, Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, and Carlos Ruiz Sacristan. Additionally in 2011, Messrs. Emilio Carrillo Gamboa and Enrique Castillo Sanchez Mejorada were our fourth and fifth independent directors. At its meeting on January 26, 2012, the Board of Directors determined that Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, Carlos Ruiz Sacristan, Emilio Carrillo Gamboa, and Enrique Castillo Sanchez Mejorada 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. At its meeting on January 26, 2012, the

Board of Directors approved the nomination of special independent directors made by the Special Nominating Committee and endorsed the determination made by the Special Nominating Committee that Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, and Carlos Ruiz Sacristan are independent of management in accordance with the requirements of the NYSE, as such requirements are interpreted by the Special Nominating Committee and our Board of Directors in their respective business judgments. The Board of Directors also determined that Messrs. Emilio Carrillo Gamboa and Enrique Castillo Sanchez Mejorada are 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, Comite Ejecutivo, 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 0.179%.

ANNUAL MEETING

The annual stockholders meeting of Southern Copper Corporation will be held on Thursday, April 26, 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:

United States

1440 East Missouri
Avenue, Suite C-175
Phoenix, Az. 85014, USA
Phone: (602)264-1375.

Mexico

Edificio Parque Reforma, Campos Eliseos
No. 400 11th floor
Col. Lomas de Chapultepec Mexico D.F.
Phone. +(52-55) 1103-5320,

Peru

Av. Caminos del Inca No. 171
Chacarilla del Estanque
Santiago de Surco Lima 33, Peru
Phone. +(511) 512-0440, Ext. 3442.

Transfer Agent, Registrar and Stockholder Services

The Bank of New York Mellon Corporation (BONY)
Shareowner Services
480 Washington Boulevard
Jersey City, NJ 07310-1900
Phone +1(866) 230-0172

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(866) 230-0172.

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 Centenario 156, La Molina, Lima 12, Peru. Phone +(511) 313-2478, Fax +(511) 313-2556.

[1]Declaracion de Poder, anexo 3325

Other Corporate Information

For other information on the corporation or to obtain additional copies of the annual report, Form 10-K, contact to Investor Relations Department at our corporate offices:

Southern Copper Corporation

USA: 1440 East Missouri Avenue, Suite C-175 Phoenix, Az. 85014, USA
Phone: (602)264-1375, Fax (602) 264 1397

MEXICO: Campos Eliseos No. 400, 11 floor, Col. Lomas de Chapultepec Mexico D.F.
Phone +(52-55) 1103-5000, Extension 5855

PERU: Avenue Caminos del Inca 171 (B-2), Chacarilla del Estanque, Santiago de Surco – Lima 33 - Peru. Phone. +(511) 512-0440, Ext. 3442.

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

Form 10-K[1]

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.

[1]Form 10-K, Phone. +(511) 512-0440, extension 3442 for Spanish

Cuajone mine in Moquegua, Peru.

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

Raul Jacob Ruisanchez

Comptroller

Remigio Martinez Müller

Vice-President, Explorations

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