



2014
IN DETAIL
ANNUAL REPORT



SOUTHERN COPPER
GRUPO MEXICO



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 2014. SCC takes responsibility for its contents according to applicable requirements”.



HANS A. FLURY ROYLE
Assistant Secretary



RAUL JACOB RUISANCHEZ
Vice-President Finance and Chief
Financial Officer

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.

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LETTER TO SHAREHOLDERS

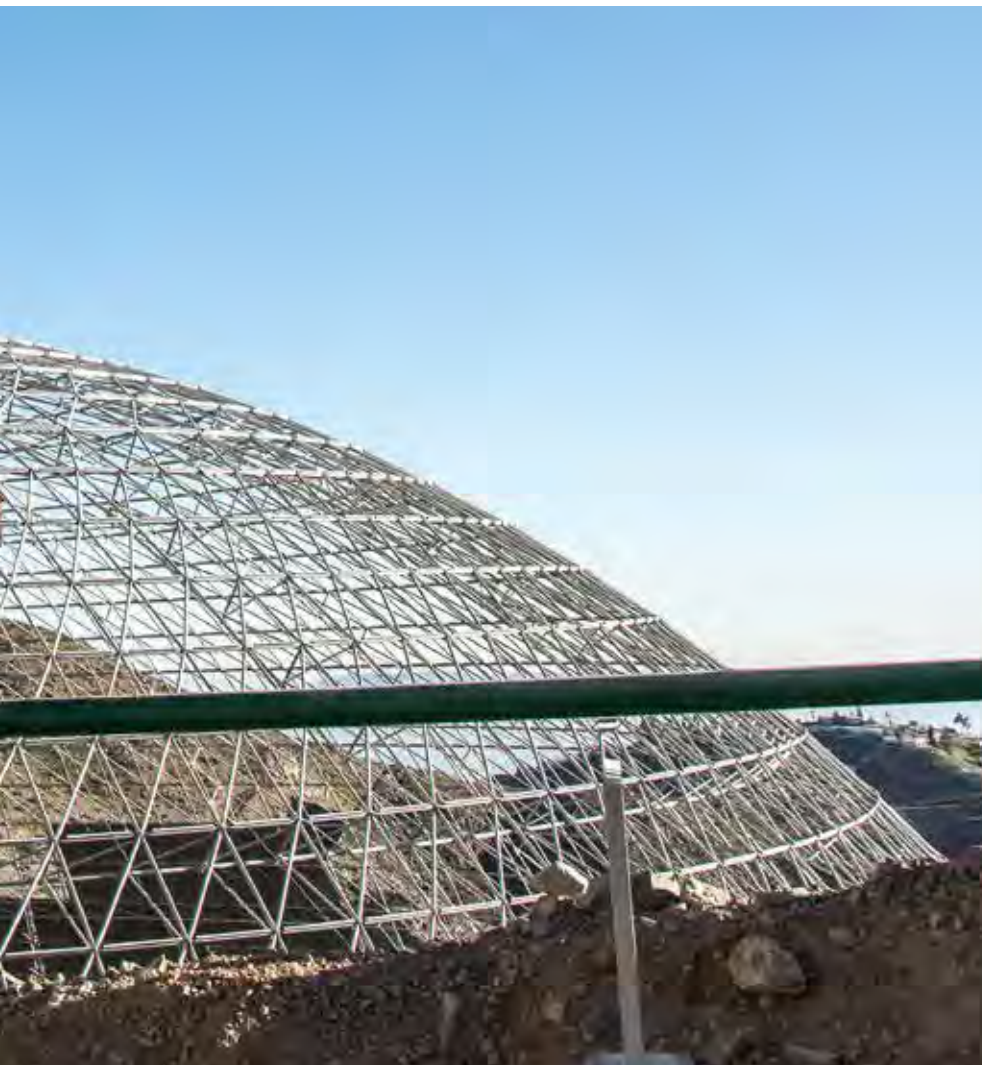
In 2014, we obtained approval of the environmental impact studies for our major Peruvian projects of Tia Maria and the Toquepala concentrator expansion. We need authorization from the Peruvian Minister of Mining to start construction. Tia Maria will add 120,000 annual tons of copper and Toquepala 100,000 tons, as well as 3,100 tons of molybdenum, to our production capacity. In addition, Buenavista projects in Mexico, while still in process, have already increased our annual production of copper and molybdenum. When completed, the Buenavista projects will add additional annual production capacity of 308,000 tons of copper and 4,600 tons of molybdenum. These major projects will enhance SCC's leadership as one of the lowest cost copper producers in the world.

¹ On April 14, 2015 the construction permit for the Toquepala expansion project was received.



Capital expenditures for 2014 were \$1,535 million and for 2015, the Board of Directors approved a capital expenditure program of \$2,685 million mainly to complete the Buenavista expansion, expansion of Toquepala and construction of our new project in Peru "Tia Maria.

Regarding our other projects, we are pleased to note that in Mexico we continue with our Buenavista investment program of \$3.4 billion. The new copper-molybdenum concentrator will additionally produce 2.3 million ounces of silver and 21,000 ounces of gold per year. At December 31, 2014, the project has a 92.2% progress with an investment of \$978.5 million. The project is expected to be completed in the third quarter of



In 2014, we obtained approval of the environmental impact studies for our major Peruvian projects of Tia Maria and the Toquepala concentrator expansion. We need authorization from the Peruvian Minister of Mining to start construction.



During the construction of the SX-EW III plant, more than 7,600 direct and indirect jobs were created. Total investment in this project was \$ 444 million.

2015. In addition, our crushing, conveying and spreading system for leachable ore project (Quebalix IV) will increase production by improving SX-EW copper recovery, reducing processing time and mining and hauling costs. The project has a 49.4% progress with an investment of \$117.7 million.

At the Cuajone mine, in Peru, we implemented the HPGR project and the variable cut-off ore grade project, which produced an estimated 23,500 tons of copper. The project is expected to generate cost savings, improve copper recovery and reduce power consumption in the crushing process.

Based on the progress of our projects, SCC believes, it is well positioned to take advantage of the expected copper market recovery, with the gradual improvement

in the global economy. Our investment program aims to increase copper production capacity by approximately 1.2 million metric tons by 2018.

Despite international conditions that negatively impact prices of our main products -copper and molybdenum-, we are making efforts to increase our efficiency and output, thereby achieving lower costs.

Copper production for 2014 increased 9.7% to 676,599 metric tons from 617,019 metric tons in 2013. In the 4Q14, copper production increased 9.2% to 183,616 metric tons from 168,210 metric tons in 3Q14. This increase was the result of higher production at our Mexican operations, mainly at the Buenavista mine, and at our Peruvian operations.



In June 2014, SX-EX III plant, with a capacity of 120,000 tons, produced its first cathode. In December, the plant reached a production of 32,927 tons. It is the plant with the greatest flow of solutions in the world.

In 2014, operating cash cost per pound of copper produced without by-product revenues was slightly lower than in 2013, a decrease of 0.5% mainly due to the diluting effect on unit cost of higher production at all our open pit mines, more significantly from Buenavista. This increase in production volume offset the cost of higher inflation, which increased fuel, power and other operating materials for our production process.

Our cash cost per pound for 2014 when calculated with by-product revenues was \$1.05 per pound, compared to \$1.00 per pound in 2013. The by-product credit in 2014 was six cents less than in 2013. This was due to lower prices for silver and gold, and lower sales volume of silver and zinc. Higher prices for zinc and molybdenum and higher

sales volume for molybdenum and gold helped to offset some of the negative factors.

We believe we hold the world's largest copper reserve position. At December 31, 2014, our copper ore reserves totaled 69.9 million tons of contained copper, calculated at a copper price of \$2.90 per pound.

Our principal operations are in Mexico and Peru, where we have an active ongoing exploration program. In 2014, we continued with our internationalization program, looking for new deposits in Latin America. Also, we have an ongoing exploration program in Chile, Argentina and Ecuador.

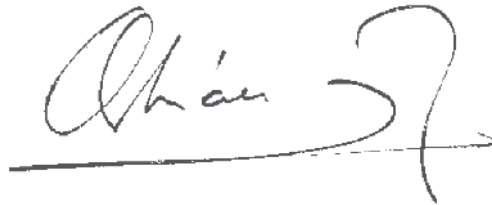
In addition, our social programs continue to operate run in each of the countries where we have a presence

for exploration, mining, concentration, smelting, refining and marketing of our products. Neighboring populations of our operational areas benefit from the social programs of the Company.

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



The new copper molybdenum concentrator will additionally produce 2.3 million ounces of silver and 21,000 ounces of gold per year. At December 31, 2014, the project has a 92.2% progress with an investment of \$978.5 million.



PRODUCTION STATISTICS

SOUTHERN COPPER CORPORATION AND SUBSIDIARIES FIVE-YEAR PRODUCTION STATISTICS

		2014	2013	2012	2011	2010
Copper production Mines (tons)						
Mined Material	(thousand)	758,965	641,456	568,428	502,909	398,953
Copper in concentrates		532,291	498,361	516,572	465,973	397,030
Copper SX/EW		144,308	118,658	121,107	121,518	81,497
Total Copper		676,599	617,019	637,679	587,491	478,527
Molybdenum in concentrates		23,120	19,897	18,297	18,570	20,519
Zinc in concentrates		66,614	99,372	89,884	83,807	99,194
Silver in concentrates	(thousand ounces)	12,992	13,513	13,644	12,731	12,646
Smelter & refineries production						
Copper		561,939	545,082	558,998	569,492	429,899
Zinc		92,133	97,692	93,542	90,869	95,072
Silver	(thousand ounces)	13,348	15,572	13,867	12,731	12,646
Toquepala						
Mined Material	(thousand)	211,202	169,808	173,927	177,398	179,313
Copper in concentrates		114,828	110,691	120,108	120,379	131,518
Molybdenum in concentrates		6,100	4,662	4,468	5,363	4,828
Cuajone						
Mined Material	(thousand)	182,812	173,277	154,091	140,108	126,144
Copper in concentrates		178,337	168,582	158,793	140,140	164,968
Molybdenum in concentrates		4,001	3,133	2,861	2,787	5,259
Smelter/refineries in Peru						
SX/EW		25,675	28,400	32,194	35,322	37,938
Smelt concentrates		1,022,536	1,072,826	996,592	1,094,224	997,933
Blister produced		-	1,670	32,843	-	-
Anode produced		303,939	322,637	265,213	337,812	312,478
Cathode produced		257,926	271,035	215,666	260,998	255,505

		2014	2013	2012	2011	2010
Mexicana de Cobre - Caridad						
Mined Material	(thousand)	91,454	88,595	86,632	84,266	84,163
Copper in concentrates		101,062	96,863	97,847	89,778	94,871
Molybdenum in concentrates		10,800	11,742	10,968	10,420	10,432
Buenavista						
Mined material	(thousand)	271,026	206,710	150,871	98,306	6,439
Copper in concentrates		132,853	115,813	133,966	110,147	-
Smelter/Refineries in Mexico						
SX/EW		118,633	90,258	88,913	86,196	43,559
Smelt concentrates		926,427	722,597	904,311	832,307	416,730
Anode produced		258,000	220,775	260,941	231,680	116,534
Cathode produced		204,302	188,005	213,734	186,853	84,626
Rod produced		129,078	126,800	120,791	107,925	57,264
Underground Mines						
Contents in concentrates	(tons)					
Zinc		66,614	99,372	89,884	83,807	99,194
Lead		22,286	23,918	19,978	18,817	20,240
Copper in concentrates		5,211	6,412	5,858	5,529	5,673
Silver	(thousand ounces)	4,945	6,170	5,974	5,866	6,549
Gold	(thousand ounces)	4,857	5,493	5,210	6,286	5,023





CHAPTER ONE

US\$3.11

LME copper price

MINERAL RESERVES

Our management focuses on creation value through copper production, controlling costs, improving production and maintenance capital structure to remain profitable. We achieve these goals through capital expenditures, exploration and reduction cost programs.

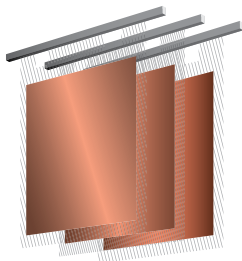




Southern Copper Corporation is one of the largest integrated copper producers in the world and we believe we currently have the largest copper reserves in the industry.

COPPER RESERVES

We believe we hold the world's largest copper reserve position. At December 31, 2014, our copper ore reserves totaled 69.9 million tons of contained copper, calculated at a copper price of \$2.90 per pound (as of December 31, 2014, the LME and COMEX copper price was \$3.11 and \$3.12, respectively), our internal ore reserve estimation value is as follows:



CATHODES Cu 

MINERAL RESERVES



COPPER CONTAINED IN ORE RESERVES	THOUSAND TONS
Mexico	
Buenavista	25,232
La Caridad	9,034
IMMSA	213
Peru	
Toquepala	14,993
Cuajone	8,726
Development projects	
El Arco	9,030
Tia Maria	2,626
Angangueo	92
Total	69,946

For more information on ore reserves refer to “Mineral Reserves” (p. 44-46) of our Form 10-K 2014.

Southern Copper Corporation operates mining units and metallurgical facilities in Mexico, Peru and conduct exploration activities in Argentina, Chile, Ecuador, Mexico and Peru.



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)

	2014	2013	2012	2011	2010
Consolidated Statement of earnings					
Net sales	\$ 5,788	\$ 5,953	\$ 6,669	\$ 6,819	\$ 5,149
Operating costs and expenses	\$ 3,555	3,421	3,560	3,193	2,545
Operating income	2,233	2,532	3,109	3,625	2,604
Non-controlling interest of investments shares on Peruvian Branch Income	5	6	7	8	9
Net earnings attributable to SCC	\$ 1,333	\$ 1,619	\$ 1,935	\$ 2,336	\$ 1,554
Per share amount					
Net earnings attributable to SCC – basic and diluted	\$ 1.61	\$ 1.92	\$ 2.28	\$ 2.73	\$ 1.83
Dividends paid	0.46	\$ 0.68	\$ 4.06	\$ 2.43	\$ 1.68
Consolidated balance sheet					
Cash and cash equivalent	364	\$ 1,673	\$ 2,460	\$ 848	\$ 2,193
Total assets	11,552	10,996	10,384	8,063	8,128
Total debt	4,206	4,205	4,214	2,746	2,760
Total equity	\$ 5,837	\$ 5,562	\$ 4,789	\$ 4,036	\$ 3,910
Consolidated statement of cash flows					
Cash provided from operating activities	\$ 1,356	\$ 1,857	\$ 2,004	\$ 2,080	\$ 1,921
Dividend paid	381	574	3,140	2,080	1,428
Capital expenditures	1,530	1,703	1,052	613	409
Depreciation & depletion	445	396	326	288	282
Capital stock (1)					
Common shares outstanding (in thousands)	813	835	846	850	859
NYSE price – high	\$ 33.54	\$ 41.96	\$ 38.94	\$ 49.59	\$ 48.84
NYSE price – low	\$ 26.08	\$ 24.78	\$ 28.16	\$ 23.99	\$ 26.19
Book value per share	\$ 7.14	\$ 6.62	\$ 5.64	\$ 4.77	\$ 4.58
P/E ratio	17.52	14.95	16.60	11.04	26.94
Financial ratios					
Current assets to current liabilities	2.16	4.36	5.00	3.12	3.25
Net debt as % of capitalization (2)	39.7%	31.3%	26.8%	32.0%	12.7%
Employees (at year end)	12,735	12,665	12,085	12,145	11,510

(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.






CHAPTER TWO

US\$3,400

were invested in Buenavista

CAPITAL EXPENDITURES AND EXPLORATION



The construction of the new Buenavista SX-EW III plant, with a capacity of 120,000 tons, was completed and start commercial production in June 2014.



Aerial view of the new ore thick warehouse. It works as an environmental measure, preventing the spread of dust.

CAPITAL EXPENDITURES AND EXPLORATION

We made capital expenditures of \$1,534.8 million, \$1,703.3 million and \$1,051.9 million in 2014, 2013 and 2012, respectively. In general, the capital expenditures and investment projects are intended to increase production, decrease costs or address social and environmental commitments. In 2015, we plan to invest \$2.7 billion in capital projects. As we previously disclosed, our investment program aims to increase copper production capacity by approximately 89% from our 2013 production level of 617,000 tons to 1,165,000 tons by 2018. In addition to our ongoing capital maintenance and replacement spending, our principle capital programs include the following:

PROJECTS IN MEXICO:

Buenavista Projects: We continue developing our \$3.4 billion investment program at this unit which is expected to increase its copper production capacity by approximately 175%, as well as molybdenum production by 42%.

The new copper molybdenum concentrator has an annual production capacity of 188,000 tons of copper and 2,600 tons of molybdenum. The project will additionally produce 2.3 million ounces of silver and 21,000 ounces of gold per year. The total capital budget of the project is \$1,383.6 million and through December 31, 2014, the project has a 92.2% progress with an investment of \$978.5 million. The project is expected to be completed in the third quarter of 2015. All major equipment is on site and has been installed.

Regarding the mine equipment acquisition for the Buenavista expansion, through December 31, 2014 we have invested \$510.9 million and have received sixty-one 400-ton capacity trucks, seven shovels and eight drills required for the mine expansion. All of this equipment is currently in operation.

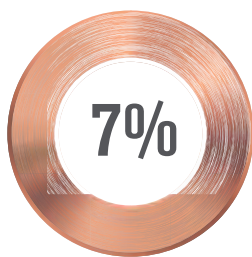
Performance testing for the SX-EW III plant was successfully completed and technical full capacity has been achieved in accordance with the design flow rate of the plant. Estimated annual production for the plant is 120,000 tons of copper cathodes. Capital budget of \$444.0 million has been invested through December 31, 2014.

The crushing, conveying and spreading system for leachable ore project (Quebalix IV) will increase production by improving SX-EW copper recovery, reducing processing time, mining and hauling costs. It has a crushing and conveying capacity of 80 million tons per year and is expected to be completed in the fourth quarter of 2015. The project has a 49.4% progress with an investment of \$117.7 million out of the approved capital budget of \$340 million.

The remaining projects to complete the \$3.4 billion budgeted program include investments in infrastructure, including power lines and substations, water supply, tailings dam, mine equipment shops, internal roads and others.

Angangueo: With an estimated investment of \$174.7 million, Angangueo includes a concentrator plant which will have an estimated average annual metal content production of 10,400 tons of copper and 7,000 tons of zinc in the first seven years. Over the life of the mine, average annual concentrate production is expected to contain 2.4 million ounces of silver and 1,500 ounces of gold. Through December 31, 2014 we have spent \$27.3 million on the project. We are preparing the new environmental studies for this project. We will wait the authorization from SEMARNAT to resume the purchase of main equipment and work on the project.

We remain the world leader in production costs. In 2014, according to Wood Mackenzie, industry analyst firm, Southern Copper Corporation (SCC) is leader in low-cost production, followed by Americas Mining Corporation (AMC).



YEAR 2014
AMOUNT 847,387
TONS

COPPER Cu +

IN 2014, COPPER PRODUCTION INCREASED 7 % COMPARED WITH 2013 847,387 TONS, A NEW RECORD.



PROJECTS IN PERU

Toquepala Projects: Through December 31, 2014, we have invested a total of \$346.0 million in Toquepala projects. These projects include the construction of a new crusher and conveyor belt system to replace current mine rail haulage, which we expect will reduce annual operating cost.

Toquepala expansion project: On December 17, 2014 we received governmental approval of the EIA for the Toquepala concentrator expansion, which will allow us to continue developing this important project. The Toquepala concentrator expansion will increase annual production capacity by 100,000 tons of copper and 3,100 tons of molybdenum at a total capital cost of approximately \$1.2 billion.

Cuajone Projects: Through December 31, 2014, we have invested \$40.6 million of a budget of \$45 million on the HPGR project, which will produce a more finely crushed material. The engineering and the purchase of equipment have been completed and the project has reached 99% completion. The project is expected to generate cost savings, improve copper recovery and reduce power consumption in the crushing process. Through December 2014, the implementation of the HPGR project and the variable cut-off ore grade project, implemented in 2013, have produced an estimated incremental production of 23,500 tons of copper.

The project to improve slope stability at the south area of the Cuajone mine, will remove approximately 148 million tons of waste material, in order to improve mine design without reducing current production level. The mine equipment acquired includes one shovel, five 400-ton capacity trucks, one drill and auxiliary equipment which will be reallocated to our mine operations once the project is finished. Besides preparing the mine for the future, this investment will avoid a reduction in average ore grade. As of December 31, 2014, 14 million tons of waste material have been removed and activities will continue for 4 additional years. At December 31, 2014, we have invested \$67.7 million in this project.

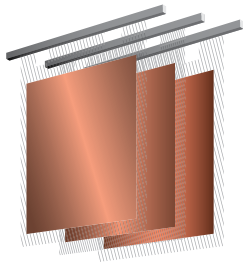
Tia Maria project: On August 1, 2014 we received the final approval of our EIA. We expect to be granted the authorization in the first quarter of 2015 to move forward with the construction phase and begin construction immediately thereafter.

This project will be completed in the first half of 2017 with an investment of approximately \$1.4 billion, to produce 120,000 tons of copper cathodes per year using state of the art technology with the highest international environmental standards. The project is currently expected to generate 3,500 jobs during the construction phase. When in operation, Tia Maria will directly employ 600 workers and indirectly another

2,000. Through its expected twenty-years of life, the project related services will create significant business opportunities in the Arequipa region.

In addition, the Company intends to implement social responsibility programs in the Arequipa region similar to those established in the communities near its other Peruvian operations.

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 and construction of the drainage system for the lateral dam is finished. We are preparing bidding documents for the second stage that includes engineering and procurement to improve and increase the dam's embankment. The project has a total budgeted cost of \$66.0 million, with \$52.7 million invested through December 31, 2014.



CATHODES Cu 

DURING 2014, WE RECORDED SPCC'S ILO AND MEXICANA DE COBRE'S CER ELECTROLITIC CATHODES IN THE SHANGAI EXCHANGE, IN CHINA, AND METAL EXCHANGE IN CHINA, AND THE LME OF LONDON, RESPECTIVELY, SO WE TOOK AN IMPORTANT ADDED VALUE AND LIQUIDITY TO THESE PRODUCTS.



As a result of significant investments in Buenavista ,
it will become the third mine in the world in terms of production.







CHAPTER THREE

COMMUNITY OUTREACH

SOUTHERN COPPER CORPORATION



Southern Copper Corporation is much more than copper. We are an organization with an unwavering will towards our stakeholders, considering value creation in our social environment is importance for our success and permanence.





Based on honesty, responsibility and professional ethics, we generate greatest value to our stakeholders. In synergy with our employees, their families, and our neighbouring communities, we move forward looking for alternatives that contribute to their development and welfare.



At Southern Copper Corporation we are much more than just a copper producer. We are an organization with an unwavering will for our stakeholders, as we understand that creation of value is a key to our success and permanence. For that reason, we constantly strive to achieve an increasingly efficient operation in social, economic and environmental issues.

With honesty, responsibility and professional ethics as the basis of our foundation, we seek to generate the greatest value for our stakeholders. In synergy with our employees and their families, as well as our neighbouring communities, we move forward to find and implement decisions that may contribute to the development and common good.

For that purpose, we have a methodology platform that is ingrained in our business model, and aligned to the needs of the communities and to the specific needs of the regions where we operate.

In Southern Copper Corporation, we want our projects to have a positive impact and strengthen the relationship with the communities where we operate. In 2014, we developed projects that will leave lasting benefits, not only for what they mean in terms of innovation and

investment, but also for the results which, with great satisfaction, we have achieved in communities and in our environment.

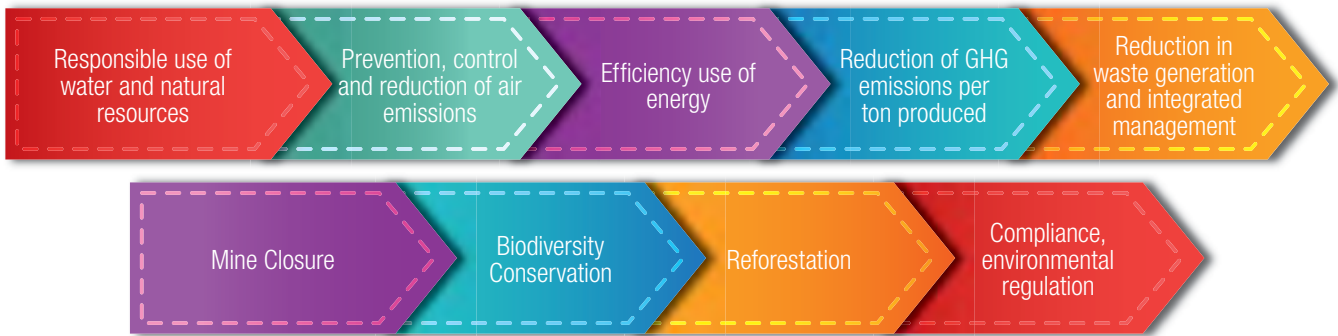
These achievements have been possible thanks to the actions, plans and programmes that the Company has implemented, proving our commitment to care of the environment, quality of life of our employees, a culture of ethics, and contribution to the development of the communities in which we operate.

OUR ENVIRONMENTAL COMMITMENT (ECOLOGICAL BALANCE)

We maintain an ongoing commitment to move forward in harmony with the challenges of expansion and modernisation of the industry of which we are part. In this regard, not only do we seek regulatory compliance, but we also operate following the best environmental practices, committed to achieving optimum environmental performance at all times, by identifying, assessing and mitigating the impacts generated by our activities on the environment.

We develop strategies to meet the specific environmental needs of each region and Division, and implement them

through environmental management systems that we have developed under nine specific lines of action:



In 2014, three units of Southern Copper Corporation were granted the ISO 14001:2004 certification. These certifications which, together with the 12 Clean Industry certifications and 6 Environmental Quality certifications, previously awarded our Company, are the product of the efforts of all of our employees and a comprehensive application of the best environmental practices in each of the activities we engage in.

ENVIRONMENTAL EXPENDITURES (million dollar)	SCC
Air	\$ 69.73
Ground	\$ 13.09
Waste	\$ 38.40
Biodiversity	\$ 1.23
Gestion	\$ 8.23
Water	\$ 22.16
TOTAL	\$ 152.84



We maintain our commitment to move forward with the challenges of expansion and modernization of industries in which we participate, seeking not only for regulatory compliance, but to operate under the best environmental practices.

ENERGY AND CLIMATE CHANGE

At Southern Copper Corporation we are aware of the effects of climate change and its impact on our operations, so by anticipating an increase in the probability of occurrence of extreme weather events such as hurricanes, droughts, floods and fires, we have identified potential risks resulting from global warming. In addition to the risks arising from the increase in the global temperature of the planet, we also face the impact of new environmental policies and regulations that are being adopted by the governments of all countries.

Given these challenges, at Southern Copper Corporation we are taking measures which include:

- Using energy more efficiently.
- Diversifying our energy mix and shifting it to cleaner energy sources.
- Developing and using renewable energy sources.
- Increasing the level of electric power self-sufficiency.
- Promoting efforts to capture greenhouse gases.
- Encouraging positive changes in employee behaviour through awareness campaigns.

Simultaneously with our environmental policy, we continue to implement actions to maximize the generation of electricity by using our own energy sources. In the case of Mexico, we make use of the smelter gases for the heat recovery boiler to generate energy. In Peru, we generate energy from renewable sources, in particular from two hydroelectric plants with a combined capacity of 130 terajoules.

Additionally, in July 2014 our Mexican operations started using electric power supplied by a wind farm, owned by a subsidiary of Grupo Mexico; by doing so, we are diversifying our energy mix by allocating a higher proportion to renewable sources, and further reducing emissions related to our energy consumption.

In addition to generating and consuming energy from renewable sources and cleaner fuels, we have also implemented best practices that have resulted in higher energy efficiency in our operations, including the improvement, redesign, conversion, and retrofitting of equipment, the rational use of resources, and the training of personnel to improve their performance during operations.

In 2014, \$175 million were invested in modernisation projects of the crushing, concentration and hauling systems, which will enable us to reduce not only operating costs, but also the amount of energy consumed per ton produced.

Major plans include the construction of a new crushing and conveyor system in Toquepala, Peru; the “Quebalix IV” crushing and conveyor system for leachable mineral, at the Buenavista mine in Sonora, and the use of high pressure grinding rolls at the Cuajone concentrator in Peru, to increase by 5.7% the energy efficiency in the milling process.

These investments, which take place year after year, show the efficiency improvements in the energy used for production at each operating unit. They demonstrate our commitment to reducing our carbon footprint and enhance our position as a sustainable global company, thereby improving our competitiveness and contributing in some way with the actions taken domestically to

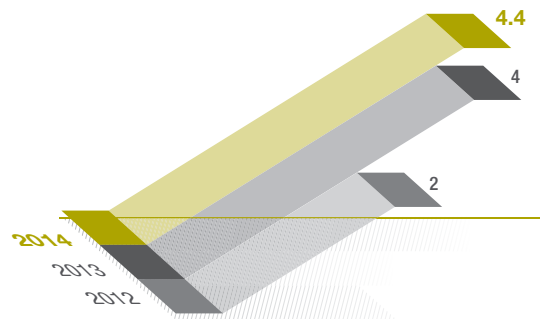
shift towards an environmentally friendly economic development.

BIODIVERSITY

Our operating units have tree nurseries that grow species native to the region, and are used to reforest and rehabilitate ecosystems, including those of areas not adjacent to our operations.

We increased the production capacity of trees in our nurseries and greenhouses to 4.4 million. Significantly, the new greenhouses at our operations in the state of Sonora increased by 400,000 the number of trees grown in 2014.

TREES ANNUAL PRODUCTION CAPACITY IN MILLION



In a significant effort to preserve endangered species, in 2014 we improved our Mexican Gray Wolf Conservation Program, as a result of which we now have 8 specimens in a 1-3 hectare environmental management unit that has been conditioned to ensure that wolves will live as closely as possible to their wildlife environment. To emphasize this effort, we have adopted the Mexican wolf

as the flagship species of Grupo Mexico. To ensure proper care, an international committee is recording the genealogy of all wolves held in captivity.

Another ongoing project within this wildlife conservation program is the turkey Gould hatchery, aimed at preserving this species by breeding and releasing them in the area of Cananea, in Mariquita, Sonora, as well as, some private farms. The first release took place in September 2014, in the vicinity of the National Forest Reserve and the Ajos-Bavispe Wildlife Sanctuary, an area characterized by a great diversity of ecosystems.

At our Peruvian operations, we continue to make significant environmental investment and conservation measures. The remediation program has successfully removed pollutants from Ite Bay –which is located in Tacna, Peru and has an area of 1,600 hectares; this has resulted in the largest and most diverse coastal waterfowl wetland in the country.

WATER MANAGEMENT

In Southern Copper Corporation we are aware of the huge responsibility entailed in the care of water, as it is one of the most important inputs in our mining and industrial processes. Accordingly, we promote the rational use of this resource.

Our measures for the efficient use and saving of water include:

- Pumping systems to of recover water.
- Instrumentation and maintenance of closed circuits to use the total volume of process water.
- Continuous water recovery from tailings and thickener processes for reuse in metallurgical processing.
- Implementation of the Zero Wastewater Discharge Program, which seeks a more efficient management of both consumption and reuse of water resources.



Southern Copper Corporation promotes the rational use of water as it is one of the most important inputs in our mining operation.





In 2014, \$175 million were invested in modernization projects of crushing, concentration and hauling systems, which will enable us to reduce operating costs and the amount of energy consumed per ton produced.

The Implementation of closed circuits in our mining operations allows 67% of the total water consumed in the Company be reused water. The consumption of fresh water in mining operations becomes necessary only due to evaporation losses.

At In some facilities, the Company makes use of municipal wastewater treatment utilities, which after treatment, is used in industrial processes; as is the case at, our wastewater treatment plant in San Luis Potosi. While the plant only increases by 3% the flow of treated water by the utility, it is one of the few that increases the availability of fresh water in the city to meet the demands of its' 32,000 inhabitants.

In Peru, the Ilo Smelter maximises the use of desalinated water 99% of total consumption, is supplied by this type of treated water.

In terms of water management, it is important to mention that an incident took place on August 6, 2014, namely the spill of approximately 40,000 cubic meters of acidic solution with copper sulphate at

a dam 10 kilometres away from the Buenavista del Cobre mine in Cananea, Sonora.

Today, the cleaning of both rivers, affected by the spill, have already been completed, and the people affected were promptly taken care of, and appropriate preventive measures are being taken to make sure that a similar incident will not recur.

Under the supervision of the authorities, a team of 1,100 employees accompanied by environmentalists, physicians, safety supervisors and biologists conducted cleanup activities, as a result of which most of the metals in the spill were removed. It should be remarked that, as part of the remediation process, water, soil, and sediment quality studies, were performed on 3,262 samples by laboratories accredited by the Mexican Accreditation Authority, which had been approved by PROFEPA.

From the very beginning of the incident, Grupo Mexico has maintained a presence in the region to help the people of the 7 affected municipalities and to listen to their concerns. The Company launched a water supply and water infrastructure program for the general population, the schools and health centres, and has provided more than 167 million liters of drinking water on a 24/7 basis during 2014.

On September 15, a \$150 million trust fund was established in order to provide support to the populations affected by the spill, as well as to support the implementation of the measures set out in the remediation program.

The Company has also extended its Community Development Program to affected communities along the river banks, promoting socially emblematic projects related to the challenges of the region, just as any other citizen, whose duty is promoting the common good.

For more information, please refer to the following website:

<http://www.riosonora.com.mx/>

Through Community Committees, we build social and human capital, by grounding our actions on respect for human rights and shared responsibility. These committees are intended to promote people's voluntary, pluralistic and transparent participation, which encourages a real link between the community and Southern Copper Corporation and promotes exchange of views, respect for values and strengthen social bonds.

336



WORKSHOPS

Health education
7,534 assistants.



We build together the social and human capital that triggers the common welfare of future generations. That is our premise for meaningful development.

In this context, it is essential to identify our stakeholders and keep in touch with them permanently in order to meet their expectations and address their concerns.

For that purpose, we have in place a methodology that

reflects the company's business model and that is intended to meet the particular needs and condition of the communities where we operate in Mexico and Peru. In line with the Company's operating lines of action, the Company and our methodology, which is based on the respect of human rights, social responsibility and sustainability, our work aims at meaningful development that will integrate the Company's both internal and external stakeholders.

PROGRAM		SCC
Community development	Social integration	\$ 12,963,711
	Community development programmes	\$ 3,891,106
	Sponsorships and donations	\$ 1,066,805
	Infrastructure and equipment in neighbouring communities	\$ 30,202,768
Employees and communities	Investment in education	\$ 4,532,656
	Sport and cultural programs	\$ 1,060,775
	Investment in townsite infrastructure GMÉXICO	\$ 19,439,686
TOTAL		\$ 73,157,507

MEXICO

CASA GRANDE

Together, we build social and human capital, by grounding our actions on the respect for Human Rights and shared responsibility through Community Committees, agencies that seek people's voluntary, pluralistic and transparent participation, which encourages a real link between the community and Southern Copper Corporation to promote the exchange of views, to further respect for

values, and to strengthen the social fabric.

The Casa Grande model has been so successful because it has enabled us to listen to people and groups that make up the communities; and to understand what is required to achieve the common good of these and future generations. We identify their needs and concerns, and give priority to dialogue and consensus.



Our booklets on Health Education and Life have been edited with the support of experts in educational issues. These nine booklets, for elementary and high school, are intended to be useful material for our teachers, parents and students throughout the country.



With the calls for action made in Mexico in 2014, our Community Development Centres and projects implemented in every region carried out 6,000 activities in 21 towns. In the same period, we made important progress in training programs focused on the development of productive projects which benefited more than 6,150 people.

Casa Grande is socially innovative and works constantly in the development and implementation of programs to benefit senior citizens, women, people with disabilities, and the youth and children. Thanks to our centres, knowledge, experience and life skills are developed. Our annual call for action in each community is outstanding: it is funded by Southern Copper Corporation, in addition to the new mining tax in Mexico, and is invested to support hundreds of projects previously evaluated by the Community Committees, which empower them to be the agents of their own development.

TAMOSURA URBAN PARK

As part of Grupo Mexico's commitment, we completed the construction of the Tamosura Urban Park with 56 hectares of public infrastructure, including health, sports, amusement facilities, and recreation facilities. The following facilities are located within this park: the Cananea Regional Hospital of Specialties, a supermarket, a fitness centre with indoor pool, movie theatres, hotel, bowling, sports facilities, shops, offices, branches and medical practices, as well as a residential area that includes a park, a nursery and areas with natural reserves.

Tamosura is equipped with water treatment plants, which are used in the maintenance of vegetation, pastures and trees native to the region, representing balance between nature and urban infrastructure. This development was an investment of \$30.36 million.

This centre has had a positive impact on the local economy: it has brought welfare, urban, economic and industrial growth to the community and turned it into a regional common ground that promotes the social integration based on peaceful coexistence.

Tamosura represents inclusion, diversity and pride of a new Cananea, which inspires a better future to all.

REGIONAL HOSPITAL OF SPECIALTIES

The Cananea Regional Hospital of Specialties is a unique project that was accomplished through a strategic alliance and a trilateral investment by the Federal Government, the Government of the State of Sonora and Grupo Mexico. Built on an area of 4,000 square meters, it provides medical care, emergency, surgery room, delivery room, X-ray, imaging, blood bank, telemedicine and 45 beds for hospitalization. It has specialties in orthopaedics, paediatrics, orthopaedics, gynaecology, internal medicine, anaesthesia and surgery. One of the most important objectives is the implementation of haemodialysis service, in order to prevent the transfer of patients to other locations. The investment made so far by the Company amounts to \$ 7.2 million.

40 This hospital project benefits 35 thousand residents, and allows communities in the region to have access to high quality health care, which is a sign of Southern Copper Corporation's interest in furthering the health and wellbeing of the communities in which it operates.

PERU

As in every region where Southern Copper Corporation operates, in Peru our team is committed to promoting development; to achieve these objectives, it is essential to have a deep understanding of the needs of the communities, and work hand in hand with them: we recognize that the creation of value is only possible in a spirit of co-operation.

Close cooperation with municipalities and with all kinds of institutions and organisations representing the region, has given tangible results that improve the living conditions of local residents; moreover, studies and

research have increased local production capacities and optimised marketing processes in the communities.

In 2014, our projects focused on the spheres of action that are part of Southern Copper Corporation's commitment, including:

- Education and Capacity Building
- Health and nourishment
- Infrastructure and support for the farming industry

EDUCATION AND CAPACITY BUILDING

The implementation of the "Women Entrepreneurs of Torata" aims at developing woman-focused entrepreneurial projects in the region of Torata Alta, these women were provided with training in food and textile processing. We were also involved in the "Scholarship Grant 600" which benefited 600 teachers, who as a result are currently pursuing a Master's degree in Education, thus strengthening the capacity of teachers in the Moquegua region.

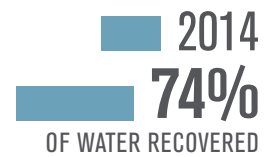


One of the main educational goals is the improvement of basic education, with an investment of \$17 million to incorporate information technology and improve communication in educational institutions; as a result, Moquegua is now the leading region in terms of educational achievement; as more than 33,000 students and 2,900 teachers have been benefited. Equally outstanding are the efforts to give maintenance to schools in Toquepala, Cuajone and Ilo.

HEALTH AND NUTRITION

Preventive health campaigns were held in different districts of the Jorge Basadre and Candarave, provinces; it has improved the quality of life of many in these communities and, working closely with the Peruvian government, a number of initiatives have been launched, such as the telemedicine project, which will expand the coverage and scope of health services.

The Urban Wastewater Treatment Plant in the district of Camilaca started operations, which will increase access to drinking water; this project has improved distribution, regulation and supply operations. Similarly, it will prevent sewage from polluting the environment and will provide treated water for agricultural and forestry use.



WATER  



Close cooperation with municipalities and different institutions and organizations, representing the region, has given tangible results that improve the living conditions of local residents, allowing an increase of local production capacities and better marketing processes in the communities through studies and research.



The fifth publication of the Xocoyo Collection was “Corn”. With the income, we supported La Casa del Sol A.C., located in Puebla. This civil association houses 60 children in situation of abandonment, abuse, orphanage, loss and health problems.



Southern Copper Corporation has also taken part in the “Candarave Nourishment Programme” which, after working five years with the population, has reduced chronic malnutrition and anaemia rates by 11% and 33%, respectively, thus benefiting more than 600 children, from newborns to 5 year olds and 190 expecting mothers in the provinces of Cairani, Camilaca, Candarave, Curibaya, Huanurara and Quilahuani.

INFRASTRUCTURE AND PROMOTION OF THE FARMING SECTOR

With the implementation of 14 projects to improve irrigation channels and techniques to upgrade water infrastructure, and the installation of water treatment plants, we have managed to increase crop productivity in Candarave. In 2014, tangible results have been achieved both in the marketing of quinoa (an Andean grain) and oregano, and in animal health and permanent veterinary care. In addition, emergency response programs have been implemented to face cold waves, a weather condition that affects crop and farm yields; accordingly, the Company supports the region with the provision of fodder and concentrated feed for livestock, as well as fertilizer for crops.

Working together with two associations of local producers in the province of Jorge Basadre, a number of livestock production projects have been developed in the district of Ite, which have been successful thanks to the advice provided on dairy production and animal health campaigns. Moreover, in the province of

Ilabaya, the “Oregano Growers of Ilabaya” programme has enhanced production, as a result of the modern irrigation project implemented in Poquera, Chulibaya, and Ticapampa.

With such actions as those mentioned above, Southern Copper Corporation is working to strengthen social development; the funds provided to strengthen the productive and commercial capacities in a number of regions in this Andean country, have consolidated our Meaningful Development vision and shown the positive results achieved with consensus and dialogue with the communities that are host to our operations.

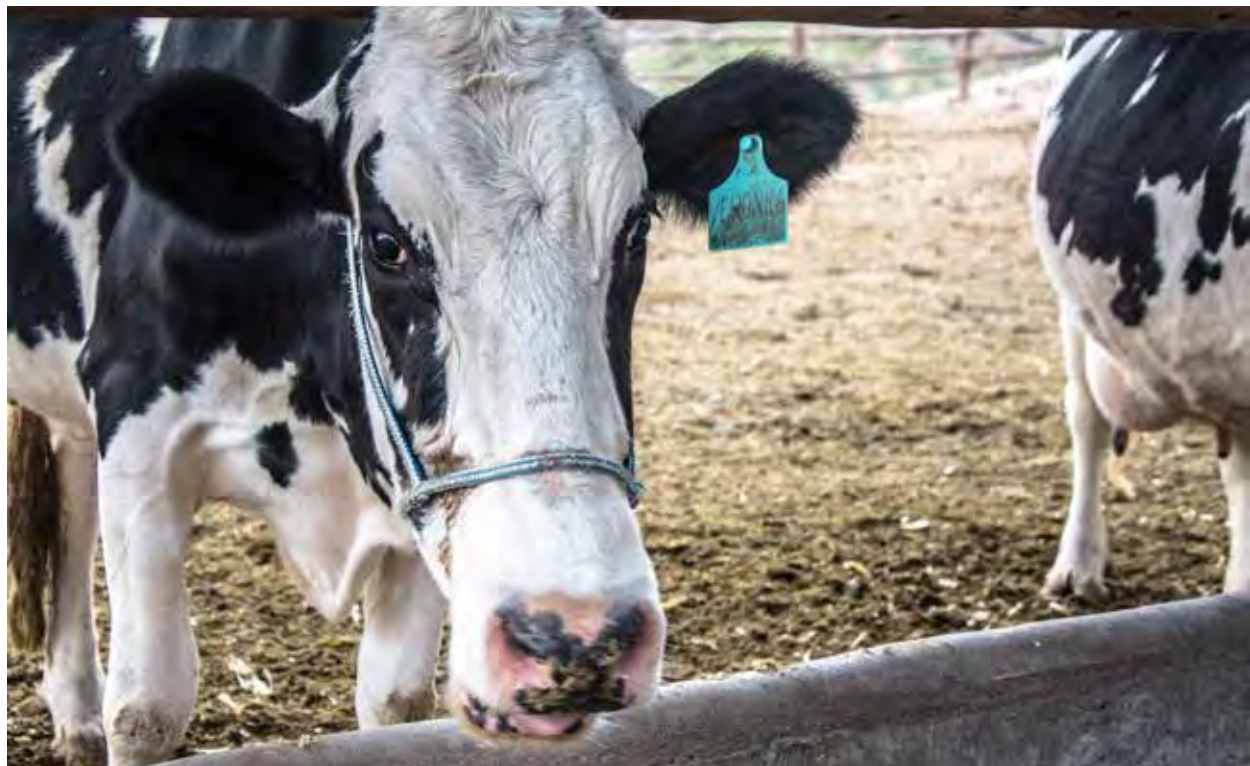
With this vision of dialogue, and after holding informative workshops and public hearings to address the concerns of stakeholders from different sectors and the civil society, in 2014 both the Toquepala expansion project and the new Tía María mining project were approved.

Community development is not a matter of one single area of the Company; it is what our Company is all about, and is reflected in the lifestyles of all its employees and contractors. We are grateful for their willingness, as it allows our staff to express themselves and participate as active emissaries, able to positively transform the lives of the community where they work, and collectively creating social value to drive sustainability.

In Southern Copper Corporation, we will always firmly keep our commitment to continually improving



Community development is a way of being of our Company, which is expressed in the lifestyles of all its employees and contractors. We are grateful for their willingness which allows our members to express and participate as active spokespersons, able to positively transform societies where they work, creating together social value to drive sustainability.



the quality of life of the communities where we operate, by encouraging community integration structures and its collective involvement, which will result in the common good and make people the key agents of development.



In 2014, 242,203 people were benefited by 24 premieres which represents 3.673 percent increase over the previous year.







CHAPTER FOUR

US\$5,787.7

net sales in 2014 (in million)

**RESULTS OF
OPERATIONS**

In 2014, EBITDA registered a new record, totaling US\$208 million, 90% above the previous year.



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.

RESULTS OF OPERATIONS

The years ended December 31, 2014, 2013 and 2012.

Our net income attributable to SCC in 2014 was \$ 1,333.0 or diluted earnings per share of \$1.61, compared with net income attributable to SCC of \$1,618.5 million or diluted earnings per share of \$1.92 in 2013, and net income attributable to SCC of \$1,934.6 million or diluted earnings per share of \$ 2.28 in 2012.

Operating cash cost: The Company presents its operating costs both including and excluding the revenues of its byproducts (molybdenum, silver, sulfuric 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:

	2014	2013	2012
		(dollar per pound)	
Operating Cash Cost without by-product revenues	1.89	1.90	1.73
Operating Cash Cost with by-product revenues	1.05	1.00	0.71

As seen on the previous chart, operating cash cost per pound of copper without by-product credits was \$0.01 less than in 2013, a decrease of 0.5%, mainly due to the unitary cost dilution, higher production in all of our operations, but principally in Buenavista. This increase in production volume, more than offsets cost inflation, which increased costs for fuel, energy and other operation materials of our production process.

Net Sales: Net sales in 2014 were \$5,787.7 million, compared to \$5,952.9 million in 2013, a decrease of \$165.2 million or 2.8%. The decrease was principally the result of lower copper prices and sales volume as well as lower prices for our major by-products partially offset by higher sales volume of molybdenum, zinc and silver. Copper made up 78.0% of net sales in 2014, compared to 78.2% in 2013. Sales of by-products in 2014 totaled \$1,269.7 million, compared to \$1,298.1 million in 2013, a decrease of 2.2%.

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

	2014	2013	2012
Average metal prices			
Copper (per pound - LME)	\$ 3.11	\$ 3.32	\$ 3.61
Copper (per pound - COMEX)	\$ 3.12	\$ 3.34	\$ 3.61
Molybdenum (per pound)	\$ 11.30	\$ 10.26	\$ 12.62
Zinc (per pound - LME)	\$ 0.98	\$ 0.87	\$ 0.88
Silver (per ounce - COMEX)	\$ 19.04	\$ 23.82	\$ 31.19



2014
23%
INCREASE IN PRODUCTION

EXPANSION

SALES VOLUME (IN THOUSANDS)

	2014	2013	2012
Copper (pounds)	1,448.0	1,382.4	1,414.6
Molybdenum (pounds) (1)	51.0	43.9	40.2
Zinc (pounds)	201.5	218.5	205.9
Silver (ounces)	14.6	16.6	16.2

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

SINCE SCC ANNOUNCED ITS EXPANSION PLAN, DURING THE THIRD QUARTER OF 2010, OUR PRODUCTION HAS INCREASED 23%.

In 2014, our Mining Division achieved a annual record of 847,387 tons of copper, which exceeded our 2014 production budget of 837,000 tons.



In 2014, our budget for social investment programs was increased 57%, compared with 2013, mainly due to investment in the new General Hospital of Cananea.



CHAPTER FIVE

\$24.4

MEXICAN OPERATIONS

SOCIAL RESPONSABILITY





US \$ 18.9 million was the investment in the New General Hospital in Cananea. It was inaugurated by Guillermo Padres, State Governor; Mercedes Juan Lopez, Federal Secretary of Health; and our CEO Oscar Gonzalez Rocha.



2014
40,000
 PEOPLE WERE BENEFITED

HOSPITAL 



DURING 2014, THE NEW GENERAL HOSPITAL OF CANANEA WAS INAUGURATED, AN ESTIMATED OF 40,000 INHABITANTS OF THE REGION HAVE BEEN BENEFITED.



The Company has instituted extensive environmental conservation programs at its mining facilities in Peru and Mexico. The Company’s environmental programs include, among others, 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 2014, 2013 and 2012, were as follows (in millions):

	2014	2013	2012
Mexican operations	\$ 24.4	\$ 39.8	\$ 27
Peruvian operations	127.0	76.9	20.7
Total	\$ 151.4	\$ 116.7	\$ 47.7

Mexican operations: The Company’s operations are subject to applicable Mexican federal, state and municipal environmental laws, to Mexican official standards, and to regulations for the protection of the environment, including regulations relating to water supply, water quality, air quality, noise levels and hazardous and solid waste.

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.

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

In January 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. In addition, in 2011, amendments

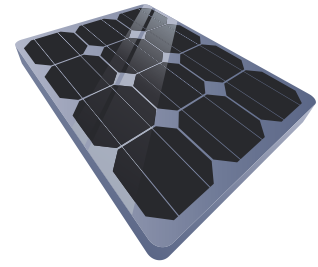
to the Civil Federal Procedures Code (“CFPC”) were published in the Official Gazette and are now in force. These amendments establish three categories of collective actions by means of which 30 or more people claiming injury derived from environmental, consumer protection, financial services and economic 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.

In June 2013, the Environmental Liability Federal Law was published in the Official Gazette and became effective one month thereafter. The law 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), criminal responsibilities as well as monetary fines.

The accident was caused by a rock collapse that affected the system’s pumping station and by a construction defect in the seal of a pipe in the leaching system containment dam, a part of the new SX-EW III plant. This solution reached the Bacanuchi River, a branch of the Sonora River. All the immediate actions were properly taken in order to contain the spill, and to comply with all the legal requirements.

On August 19, 2014, PROFEPA, as part of the administrative proceeding initiated after the spill, announced the filing of a criminal complaint against BVC and those determined to be responsible for the environmental damages. The criminal complaint filed by PROFEPA against BVC is in the procedural stages. The Company is vigorously defending against it. According to the Mexican Environmental Responsibilities Federal Law, administrative fines and sanctions could go upward to 40 million Mexican pesos (approximately \$3 million). Additional sanctions or fines may be imposed, including the cost of cleanup and remediation of the polluted sites, as well as economic compensation to individuals who may have suffered damages as a result of the spill, provided that direct damages are proven.

On September 15, 2014, BVC, in agreement with the Mexican Federal Government, established a trust of up to two billion pesos (approximately \$150 million) to support the remedial efforts that BVC had already undertaken, to comply with the environmental remediation plan and to pay, as the case may be, material damages to the riverside residents of the seven counties affected by the spill. In 2014, BVC estimated the contingent liability at \$91.4 million, of which \$16.4 million had been paid previous to the establishment of the trust, and approximately one billion pesos (approximately \$74.9 million) was deposited in the trust. These funds have been available and have been used to compensate claims as they have arisen. This deposit was classified as restricted cash and



2014
6,500
HOUSES WITH ENERGY



On August 6, 2014, an accidental spill of approximately 40,000 cubic meters of copper sulfate solution occurred at a leaching pond that was under construction ten kilometers away from the mine of Buenavista del Cobre, S.A. de C.V. (“BVC”) a subsidiary of the Company.

was recorded as an operating expense in the 2014 results. A technical committee was created to manage the funds, comprised of representatives from the federal government, the Company and specialists assisted by a team of environmental experts. The trust established by the Company and the administrative agreement executed with the corresponding Federal authorities, serves as an alternative mechanism for dispute resolution to mitigate public and private litigation risks.

A TECHNICAL COMMITTEE WAS CREATED TO MANAGE THE FUNDS, COMPRISED OF REPRESENTATIVES FROM THE FEDERAL GOVERNMENT, THE COMPANY AND SPECIALISTS ASSISTED BY A TEAM OF ENVIRONMENTAL EXPERTS.



Our environmental programs include water, water recovery systems to reduce consumption and minimize the impact on nearby streams, reforestation programs for stabilize surface of the tailings dams and the implementation of scrubbing technology in the mines to reduce dust emissions.



TREES



SCC INCREASED 120% ITS PRODUCTION CAPACITY OF TREES FROM 2012 TO 2014

SOCIAL RESPONSABILITY



On November 27, 2014, a remediation program was presented before SEMARNAT, the federal agency of environment and natural resources, which was approved on January 6, 2015.

On December 31, 2014, PROFEPA initiated an administrative proceeding directly derived from the spill, which is still in its initial stages. The National Commission for Water (“CONAGUA”), and the Federal Commission for the Protection against Sanitary Risks (“COFEPRIS”), have initiated certain proceedings, not directly linked to the spill, to monitor Company’s compliance with the applicable environmental laws. In addition, the Company has been served with three collective action lawsuits seeking damages for injuries related to the spill, which are in an early procedural stages. For a description of collective actions in Mexico refer to the 2011 amendments to the CFPC described above. The Company asserts that these lawsuits are without merit and is vigorously defending against them.

The Company reasonably considers that none of the legal proceedings resulting from the spill, individually or in the aggregate, would have a material effect on its financial position or results of operations.

Peruvian operations: The Company’s operations are subject to applicable Peruvian environmental laws and regulations. The Peruvian government, through the Ministry of Environment (“MINAM”) conducts annual audits of the Company’s Peruvian mining and

metallurgical operations. Through these environmental audits, matters related to environmental obligation, compliance with legal requirements, atmospheric emissions, effluent monitoring and waste management 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 assurances for future closure and reclamation. 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. See Note 9 “Asset retirement obligation,” for further discussion of this matter.

In 2008, the Peruvian government enacted environmental regulations establishing more stringent air quality standards (“AQS”) for daily sulfur dioxide (“SO₂”) emissions for the Peruvian territory. These regulations, as amended in 2013, recognize distinct zones/areas, as atmospheric basins. As part of these regulations, MINAM was required to carry-out a 12 month ambient air monitoring period, prior to January 1, 2014, to establish SO₂ levels. Those areas with a mean 24-hour SO₂ concentration equal or less than 20 micrograms per cubic meter (“ug/m³”) are required to develop programs to maintain this level of compliance. Those areas or cities exceeding the mean 24-hour SO₂ concentration of 20 ug/m³ will be required to establish

an action plan to address this problem and are required to achieve the 20 ug/m3 AQS in the future. Meanwhile they are required to achieve mean 24-hour AQS equal to 80 ug/m3 of SO2. MINAM has established three atmospheric basins that require further attention to comply with 80ug/m3 of SO2. The Ilo basin is one of these three areas and the Company's smelter and refinery are part of the area. A supreme decree issued on April 8, 2014, indicates that the Company should review its compliance with these regulations and develop a modification plan to reach compliance. The Company is working with an environmental technical study group, established by a MINAM resolution to identify air quality issues and develop plans to comply with the pertinent regulations.



In 2013, the Peruvian government enacted new soil environmental quality standards ("SQS") applicable to any existing facility or project that generates or could generate risk of soil contamination in its area of operation or influence. In March 2014, MINAM issued a supreme decree which establishes additional provisions for the gradual implementation of SQS. Under this rule the Company has twelve months to identify contaminated sites in and around its facilities and present a report of identified

WATER  

IN 2014, 74% OF TOTAL WATER CONSUMPTION IN OUR MINING OPERATIONS WAS RECOVERED WATER, MINIMIZING CONSUMPTION AND DEMAND OF FRESH WATER



contaminated sites. If such sites exist, the Company must submit a decontamination plan for approval within 24 months from the date it is notified by the authority. This decontamination plan shall include remediation actions, a schedule and compliance deadlines. Also, under this rule, if deemed necessary, the Company may request a one year extension, given sound justification. Soil confirmation tests must be carried out after completion of decontamination actions (within the approved schedule) and results must be presented to the authorities within 30 days after receiving such results. Non-compliance with this obligation or with decontamination goals will carry penalties, although no specific sanctions have been established yet. During compliance schedule, companies cannot be penalized for non-compliance with the SQS. In the fourth quarter of 2014, the Company selected the consultant to carry out soil samplings, studies and other requirements of the rules.

The Company believes that all of its facilities in Mexico and Peru are in material compliance with applicable environmental, mining and other laws and regulations.

The Company also believes that continued compliance with environmental laws of Mexico and Peru will not have a material adverse effect on the Company's business, properties, result of operations, financial condition or prospects and will not result in material capital expenditures.





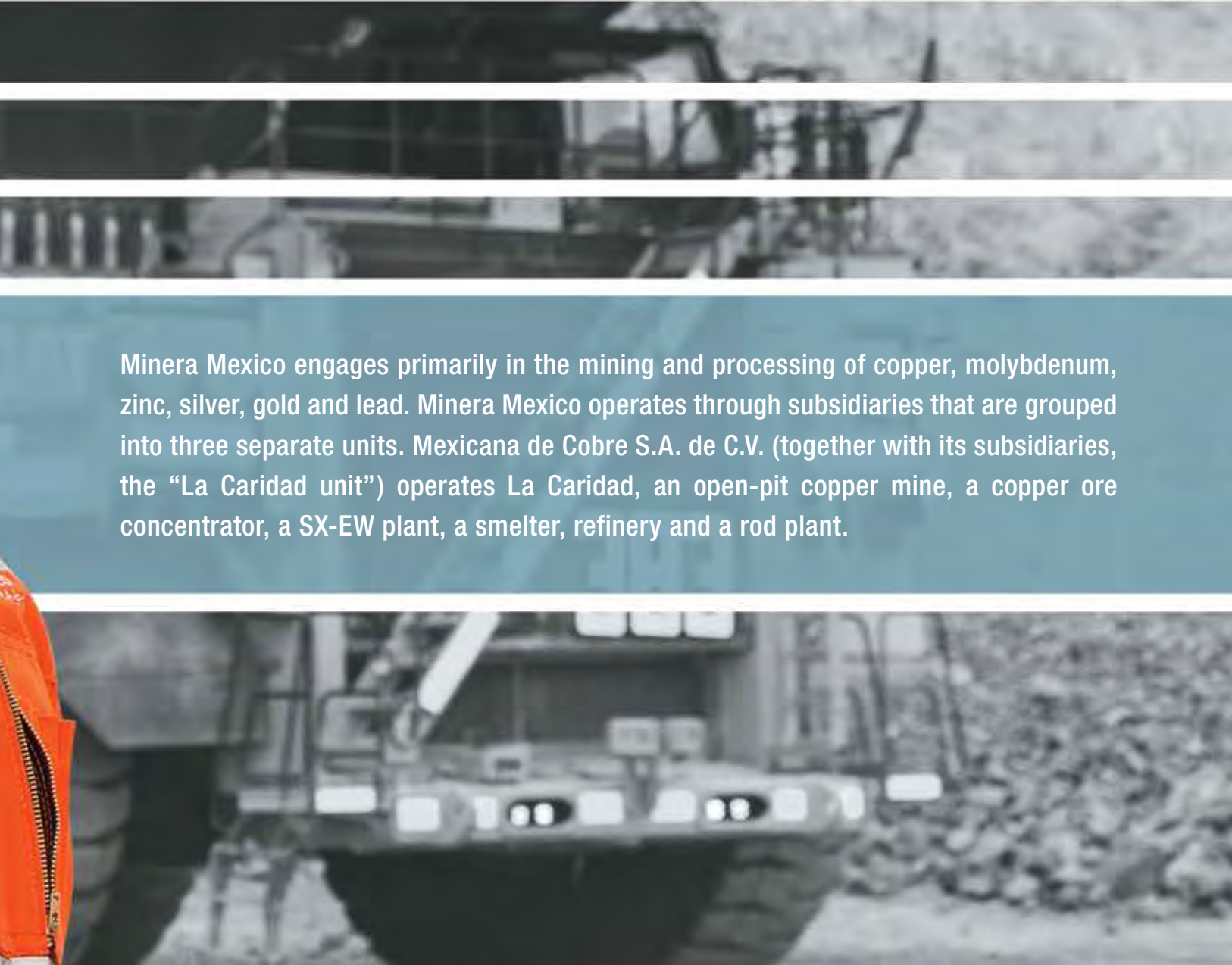
CHAPTER SIX



84.6%

In 2014, AMC increased
its interest in SCC

GENERAL INFORMATION



Minera Mexico engages primarily 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 “La Caridad unit”) operates La Caridad, an open-pit copper mine, a copper ore concentrator, a SX-EW plant, a smelter, refinery and a rod plant.



The new ore thick warehouse with a capacity of 300,000 tons, 120 meters in diameter and 50 meters high, works as an environmental measure avoiding dust dispersion.

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 67. 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 in Chile, Ecuador y Argentina. 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.

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.



OUR OPERATIONS HAVE A HIGH LEVEL OF VERTICAL INTEGRATION THAT ALLOWS US TO MANAGE THE ENTIRE PRODUCTION PROCESS.

66 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 en el RPMV	%
1	Grupo Mexico, S.A.B. de C. V.	Mexico		
2	Grupo Mexico Servicios, S.A. de C.V.	Mexico		100
	ACTIVIDADES DE TRANSPORTE FERROVIARIO			
3	Infraestructura y Transportes Mexico, S.A. de C. V.	Mexico		100
	ACTIVIDADES MINERAS			
4	Americas Mining Corporation (“AMC”)	EE.UU.		100
5	Southern Copper Corporation (SCC)	EE.UU.		84.6
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		98.14
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	Compañía Minera Los Tolmos, S.A.	Peru		97.3

¹ Include 82.69% of common shares and 16.60% of investment shares.

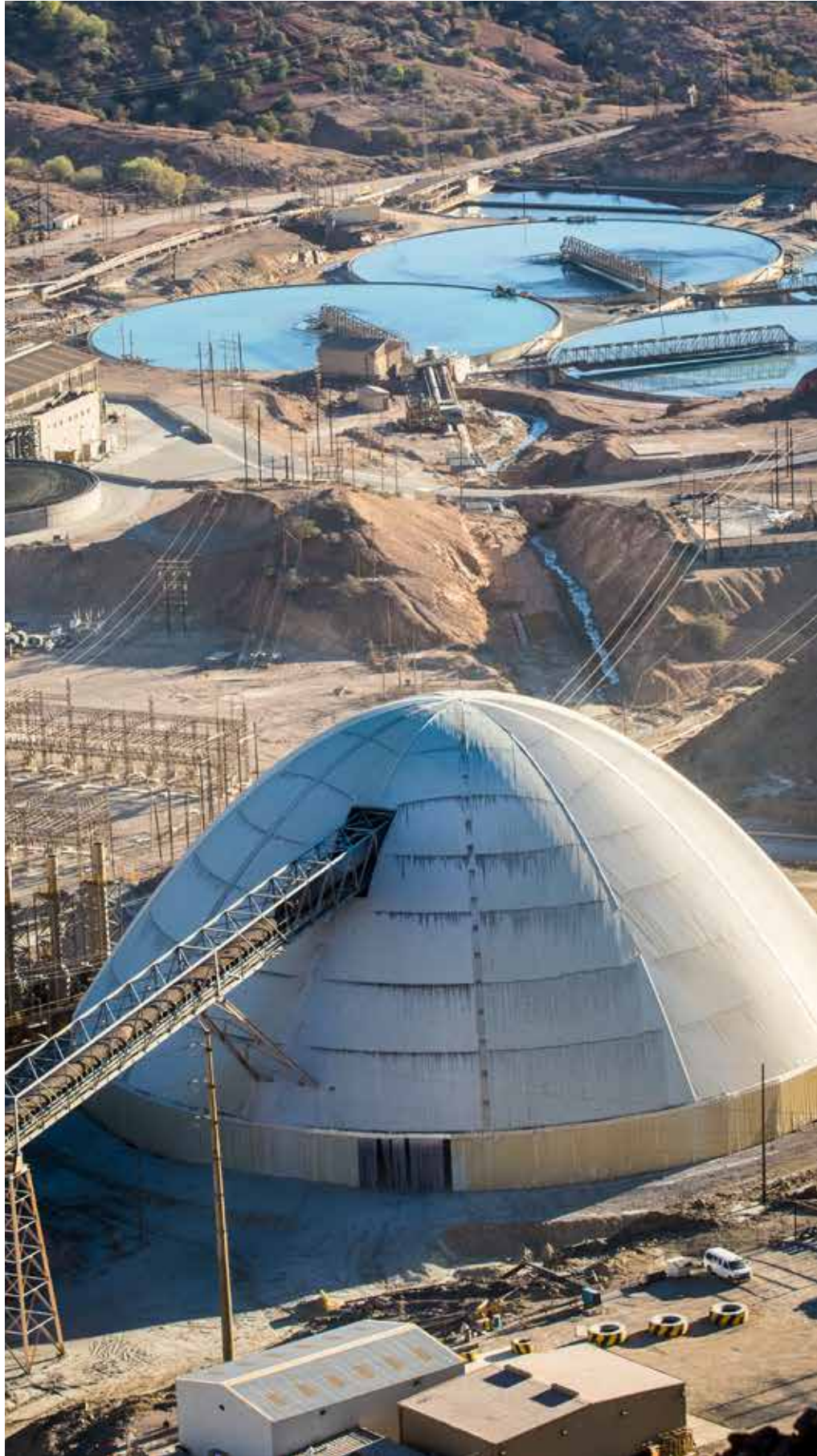
LA CARIDAD SMELTER

It started its production with a capacity of 493 t / d of anodes in July 1986 and expanded its capacity to 822 t / d of anodes in March 1997.





The new copper molybdenum concentrator has an annual production capacity of 188,000 tons of copper and 2,600 tons of molybdenum. The project will additionally produce 2.3 million ounces of silver and 21,000 ounces of gold per year. The total capital budget of the project is \$1,383.6 million and through December 31, 2014, the project has an 92.2% progress with an investment of \$978.5 million.



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

Capital Structure**Shares****Interest**

Americas Mining Corporation	687,275,997	84.6%
Common Shares	125,342,125	15.4%
Total	812,618,122	100.0%

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 66 tons of copper cathodes. Approximately 663.3 million tons of leach ore with an average grade of approximately 0.247% copper have been extracted from the La Caridad open-pit mine and deposited in leaching dumps from May 1995 to December 31, 2012.

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 66 tons per day and was expanded to 120 tons per day in 2001.

“Buenavista SX/EW III Plant” started operating during the fourth quarter of 2014, we completed the construction of a new SX-EW plant that is expected to significantly increase production of leachable material by approximately 120,000 tons per year. (See 10K, on page 64).

Underground mines

- 1.- The Santa Barbara Unit with a milling capacity of 5,800 tons of ore per day.
- 2.- The Santa Eulalia Unit with a milling capacity of 1,450 tons of ore per day.
- 3.- The San Martin Unit with a milling capacity of 4,400 tons of ore per day.
- 4.- The Charcas Unit with a milling capacity of 4,100 tons of ore per day.
- 5.- The Taxco Unit with a milling capacity of 2,000 tons per day.
- 6.- Coquizadora Coal Plant, in Coahuila Unit, with a capacity of 105,000 tons of coke per year.
- 7.- The Zinc Refinery with a capacity of 288 tons per day.



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 Minería” 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 Minería” authorized the expansion of the Toquepala Concentrator to a capacity of 60,000 MT per 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 Minería” authorized construction and expansion of Toquepala SX/EW plant to 18,737 tons/day throughput. Directorial 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.



Our Peruvian copper operations involve mining, milling and flotation of copper ore to produce copper and molybdenum concentrates, the smelting of copper concentrates to produce anode copper, and the refining of anode copper to produce copper cathodes.

72 CUAJONE

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

Based on Report No. 266-99-EM/DGM/DPDM dated July 20, 1999 the "Director General de Minería" authorized the expansion of Botiflaca Concentrator to 87,000 MT per 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 MT per day throughput.

For operating reasons as part of the crusher process optimization, on November 8, 2012, we requested to the Peruvian authorities through resources N° 214491 to add three additional facilities (HPGR mill and others).

With Directorial Resolution N° 153-2012-MEM-DGM-V based on report 165-2012-MEM-DGM-DTM-PB. MEM approved and authorized the project to include three additional facilities aforementioned on the procedure of the amendment and increase

of the installed capacity from 87,000 to 90,000 MT per day.

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 MT per 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 MT per 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 Minería" authorized the expansion of the Ilo Smelter to a 3,100 MT per 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 MT per day, which is included as an ancillary facility to Acid Plant No. 2, with a capacity of 2,880 MT per day or 1,051,200 MT per year.

2. Ilo Refinery: Authorized by Report No. 056-94-EM/DGM/DRDM dated May 27, 1994 the “Director General de Minería” authorized the operation of the Ilo Copper Refinery at 533 MT per day throughput of blister copper.

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

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

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

3. Sulfuric Acid Plant: Authorized by Directorial Resolution No. 024-96-EM/DGM dated January 19, 1996, approved the operation of the sulfuric acid plant, installed at the smelter, at a production rate of 150,000 tons per year.

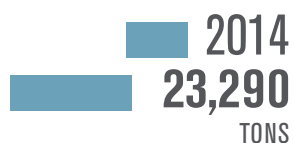
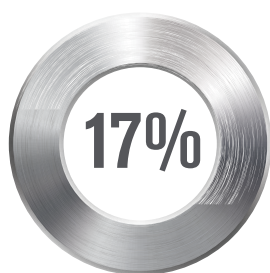
Based on Report No. 313-98-EM/DGM/DPDM dated May 21, 1998 the “Director General de Minería”, authorized the expansion of the Ilo Sulfuric Acid Plant to a capacity of 300,000 tons per year production.

4. “Coquina Wash Plant and Sea shell Concentrates” authorized to operate by Directorial Resolution N° 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, 2012, 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



MOLYBDENUM Mo +

PRODUCTION OF MOLYBDENUM IN 2014 INCREASED 17 % COMPARED WITH 2013, REACHING 23,290 TONS, A NEW RECORD



The average price of molybdenum in 2014 was US \$ 11.39 / lb , an increase of 10 % over 2013.



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 CIU 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 N° 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



The new primary crushing building, in Buenavista open pit, has a capacity to process up to 400,000 tons per day.

This will be the first installation of its kind to hold 4 breakers. By December 2014, its construction reached 90%.

SPCC's Capital, and this company acquired ownership of 80.77% of Labor Shares (today Investment Shares).

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

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

On December 31, 1998, the merger between Southern Peru Copper Corporation and Southern Peru Limited was agreed. The first company absorbed the second

one and assumed all its assets and liabilities, including the Branch in Peru. This merger did not imply any change to the share percentage in the corporate capital or in the Net Worth Share Account (investment shares), which were kept the unchanged.

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

Change of Economic Group:

In November 1999, Grupo Mexico S.A.B. de C. V., a firm incorporated pursuant to the Laws of the Republic of Mexico, acquired in the United States 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, 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 Minera Mexico, 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 Minera Mexico, SCC issued 67,207,640 shares in exchange for MM shares. Once the shares related to the acquisition were issued, AMC increased its share in SCC from 54.2% to approximately 75.1%.

AMC 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 ("BOD") authorized a \$500 million share repurchase program that has since been increased by the BOD and is currently authorized to \$3 billion. Pursuant to this program, the Company purchased common stock as from 2008 to December 31st, 2014, the Company purchased 79.9 million shares of its common stock

which represent \$1,842.3 million. 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.

At December 31, 2014, Grupo Mexico indirect ownership is 84.6%.

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 minimum 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

78 percentage of Common Shares all the shareholders (that are not Grupo Mexico and its affiliates) have, rounding up to the following integer number. Notwithstanding the abovementioned, the total number of people appointed as special independent directors (not belonging to Grupo Mexico) cannot be less than two or more than six.

Special Nominating Committee:

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

The Special Nominating Committee consists of two directors (2) of whom are Luis Miguel Palomino and Carlos Ruiz Sacristan (each an "Initial Member" and, together with their successors, "Special Designees") and such other director, currently Xavier Garcia de Quevedo Topete, as may be appointed by the Board of Directors or the "Board Designee". The Board Designee will be selected annually by the Board of Directors. The Special Designees will be selected annually by the members of the Board who are special

independent directors or Initial Members. Only special independent directors can fill vacancies on the Special Nominating Committee. Any member of the Special Nominating Committee may be removed at any time by the Board of Directors for cause. The unanimous vote of all members of the nominating committee will be necessary for the adoption of any resolution or the taking of any action.

Our Amended and Restated Certificate of Incorporation, as amended, provides that the minimum number of special independent directors on the Board of Directors at any given time shall be equal to (a) the total number of directors on the Board of Directors multiplied by (b) the percentage of Common Stock owned by all of the stockholders (other than Grupo Mexico and its affiliates), rounded up to the next whole number. Notwithstanding the foregoing, the total number of persons nominated as special independent directors cannot be less than two or greater than six.

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

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



The Company believes that all of its facilities in Mexico and Peru are in material compliance with applicable environmental, mining and other laws and regulations.

The Company also believes that continued compliance with environmental laws of Mexico and Peru will not have a material adverse effect on the Company's business, properties, result of operations, financial condition or prospects and will not result in material capital expenditures.

As a result of the investments in Buenavista, this will become the third mine in the world, in terms of production.



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 operational 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, and its exploration activities in the Republics of Argentina and Ecuador.

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 bylaws; (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 84.6% of SCC shares.

[Information about plans and investment policies:](#)

See Capital Expenditures and Exploration on page 16.

[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 remained effective until the year 2010 and guaranteed 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 remained effective during ten years and guaranteed 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 refunds 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 these refunds, 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.

Mining Royalty:

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%.





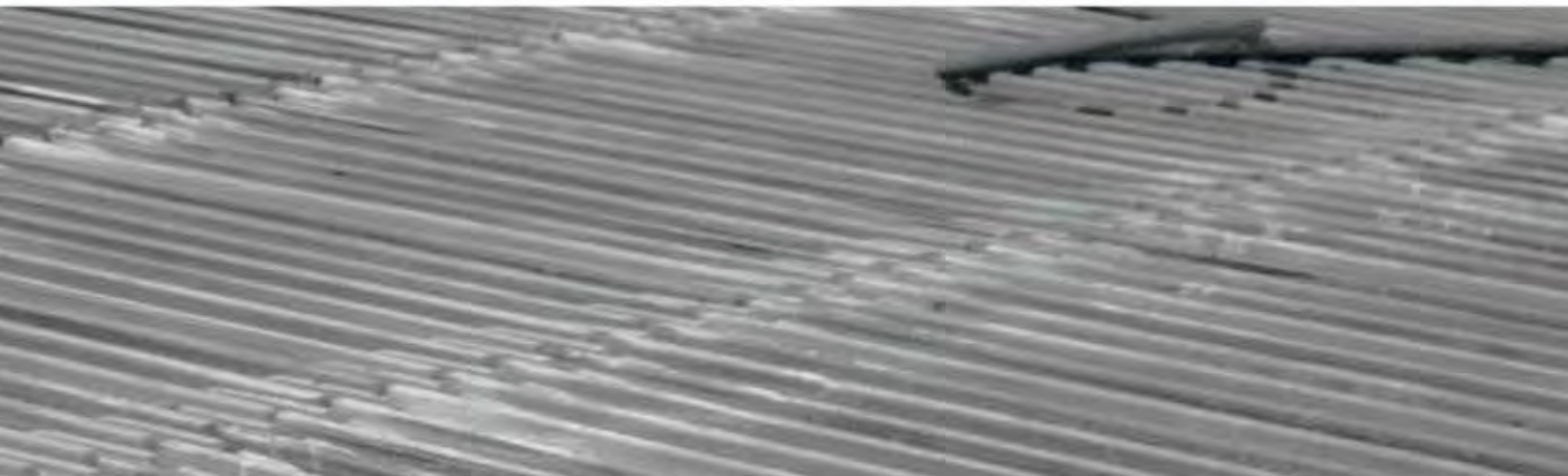
CHAPTER SEVEN

30%

disabling accidents were reduced

**MINING
SAFETY IN**
SOUTHERN COPPER CORPORATION

We have in place an Integrated Occupational Health and Safety Management System, which allows us to control the risks that exist in our operations and to develop plans of continuous improvement in order to protect our employees.





ZERO
ACCIDENTS

OBJETIVES ✓

SCC WORKS UNDER THE
HIGHEST SAFETY
STANDARDS.



The occupational accident rates at our mining operations in Mexico are 78% below the national average.

In Southern Copper Corporation, caring for the life, health and integrity of our employees and their families is the number one priority in all our operations. No task is more important.

Accordingly, our commitment is to create optimal work environments for their welfare, which we achieve by working under the highest safety standards. Our goal: ZERO accidents.

We have in place an Integrated Occupational Health and Safety Management System, which allows us to control the risks that exist in our operations and to develop plans of continuous improvement in order to protect our employees.

We maintain 12 business units in Mexico and Peru whose Occupational Health and Safety Management System have been certified according to OHSAS 18001:2007. Additionally, in Mexico we have 13 units certified with the Secretariat of Labour and Social Welfare for the Self-Managed Occupational Health and Safety (PASST).

The accomplishments achieved in 2014 on occupational health and safety include:

- The Mining Chamber of Mexico (CAMIMEX) awarded the “Jorge Rangel Zamorano” Silver Helmet Trophy to the Nueva Rosita plant, to the SX/EW plant of Mexicana de Cobre, and to the Santa Eulalia mining unit, for achieving the lowest recorded accident rates in the industry.
- Our mining and metallurgical operations in the Smelting, Refining and SX/EW plant in Peru achieved the triple recertification as per OHSAS:18001, ISO:14001 and ISO:9001, endorsing its commitment to integrated sustainability management, including the best practices in occupational health and safety.
- The communities surrounding the Santa Barbara unit in Mexico were certified as Healthy Environment by the Ministry of Health, which recognises the efforts of the company to make joint efforts to improve the health of its residents, and joins the Santa Eulalia unit as holders of this certification.
- The occupational accident rates at our mining operations in Mexico are 78% below the national average.
- The accident rates in our mining operations in Peru are 14% below the national average.
- In the last two years, SCC has reduced its occupational accident rates by 18% and the rate of severe accidents by 45%.

The accident rate (IR) in the Mining Division decreased significantly from 1.09 in 2012 to 0.89 in 2014.



As a result of the work and commitment of our people to safety and health, at the end of 2014, the accident rate (IR) decreased significantly from 1.09 in 2012 to 0.89 in 2014, showing clearly that our activities to identify and address risks have reduced the frequency of accidents at our mining operations.

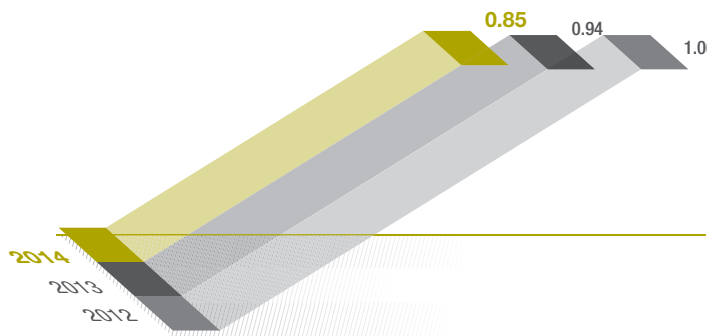
In this regard, we recognise that the commitment and effort of our people, strengthened by training, coaching, responsibility and the implementation of preventive observation is key to achieving our goals.

These results reflect the efforts in our activities leading to a culture of safety, in the implementation of inspection plans, and especially in the work and commitment of our employees.

SEVERITY RATE
ACCIDENTS IN OUR
MINING DIVISION HAS
DECREASED 18 %
SINCE 2012.

Accident Rate (IR)

SCC, 2012-12014



$$IR = \frac{\text{No. of disabling accidents}}{\text{No. of total men - hours worked}} \times 200,000$$

During 2014 we reduced our rate of occupational diseases by 27% as a result of the various programmes on education, prevention and control of risks, as well and on the treatment of diseases.



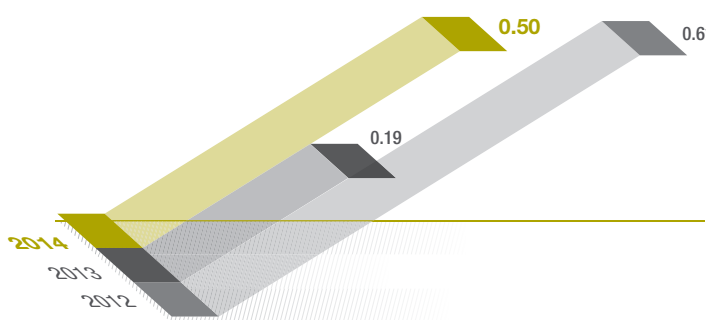
OCCUPATIONAL HEALTH

In order to promote a culture of self-healthcare, we continue to strengthen our prevention programmes in the workplace, family and community environments.

During 2014 we reduced our rate of occupational diseases by 27% as a result of the various programmes on education, prevention and control of risks, as well and on the treatment of diseases. These programmes were provided to our employees and, in some cases, to their families and community members.

Severity Rate (GR)

SCC, 2012-2014

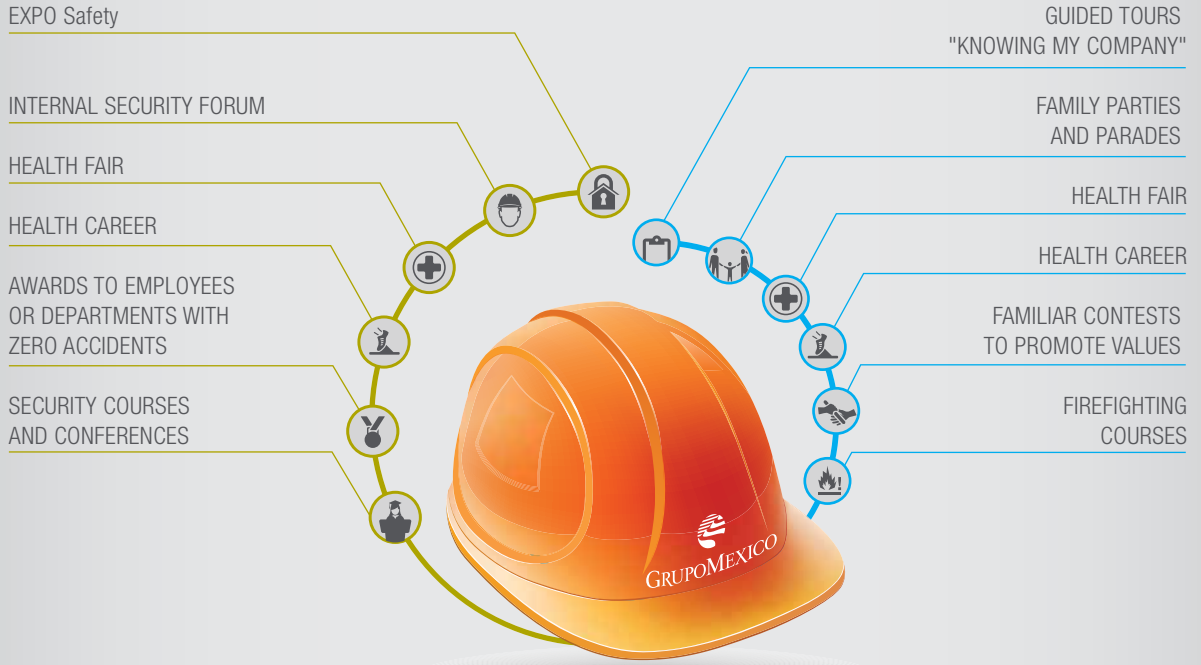


$$GR = \frac{\text{No. of days lost}}{\text{No. of total men - hours worked}} \times 1,000$$

ACTIVITIES:

Targeting workplace personnel

Targeting employees' families and community



Mining Safety

INVESTMENT IN OCCUPATIONAL SAFETY

SCC

Management costs	\$ 2,973,229.84
Training	\$ 2,058,653.05
Personal protection equipment	\$ 6,767,986.51
Industrial hygiene studies	\$ 193,113.24
Engineering works	\$ 76,456,413.48
TOTAL	\$ 88,449,396.12

INVESTMENT IN OCCUPATIONAL HEALTH

SCC

Development, Promotion and Protection of Health	\$ 541,096.95
Detection and prevention	\$ 2,043,849.64
Treatment	\$ 3,903,006.53
Rehabilitation	\$ 36,325.00
TOTAL	\$ 6,524,278.12

**FOR FURTHER INFORMATION ABOUT COMPANY'S MAIN ASSETS, SEE 10-K FORM FROM PAGE
EMPLOYEES FOR THE YEAR ENDED DECEMBER 31TH**

	2014	2013	2012	2011	2010
Mexican operations					
Employees	2,153	2,152	2,033	1,979	1,919
Workers	5,952	6,030	5,441	5,996	5,257
Total	8,105	8,182	7,474	7,975	7,176
Peruvian operations					
Employees	2,308	2,272	2,101	2,031	1,999
Workers	2,216	2,158	2,465	2,128	2,003
Total	4,524	4,430	4,566	4,159	4,002
Ecuador office					
Employees	14				
Workers	38				
Total	52	17	18	-	-
Argentina office					
Employees	10				
Workers	16				
Total	26	16	14	--	-
Chile office					
Employees	12				
Workers	14				
Total	26	18	12	10	10
Corporate office					
Total	2	2	1	1	1
Total employees in scc					
Total Mexico	8,105	8,182	7,474	7,975	7,176
Total Peru	4,524	4,430	4,566	4,159	4,002
Total Ecuador	52	17	18	-	-
Total Argentina	26	16	14	-	-
Total Chile	26	18	12	10	11
Total Corporate Office	2	2	1	1	7
Total	12,735	12,665	12,085	12,145	11,189

INVESTMENT IN OCCUPATIONAL SAFETY AND HEALTH

During 2014 we invested US \$ 94.97 million in occupational safety and health, a 7% increase from the previous year, focusing efforts on engineering works, purchase of personal protective equipment, training, coaching, and industrial hygiene studies. In terms of occupational health, we have invested in the development, promotion and protection of health, as well as in primary prevention, treatment and rehabilitation.

PRINCIPLES OF CORPORATE GOVERNANCE

Resolution from the Superintendencia de Mercado de Valores –SMV- by its acronym in Spanish) N° 00012-2014-SMV/01.

The information referred to that resolution will be submitted to the SMV 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 13 "Commitments and Contingencies" to our consolidated financial statements.

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

At December 31, 2014, no changes have been done. Mr. Raul Jacob Ruisanchez acts as Director of Comptroller and Finance. Mr. Marco A. Garcia acts as Finance Manager.



2014
US\$90
MILLION IN HEALTH AND SAFETY

INVESTMENT 

**IN 2014, WE INVEST
MORE THAN US \$ 90 MILLION
IN OCCUPATIONAL SAFETY
AND HEALTH, AN
INCREASE OF 11%
OVER THE PREVIOUS YEAR.**

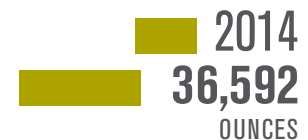
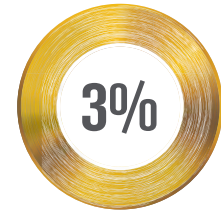
INFORMATION RELATED TO THE STOCK ENTERED IN THE STOCK MARKET PUBLIC COMMON STOCK

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

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

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

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



GOLD Au +

GOLD PRODUCTION INCREASED 3 %, TO 36,592 OUNCES, COMPARED WITH 35,545 OUNCES IN 2013

94 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.

Since 2008 and 2014, the Company and AMC had bought shares periodically.

At December 31, 2014, there were of record 812,618,122 shares of common stock of the Company, par value \$0.01 per share, outstanding.

CORPORATE BONDS

Between July 2005 and November 2012 the Company issued senior unsecured notes six times totaling \$4.2 billion as listed above. Interest on the notes is paid semi-annually in arrears. The notes rank pari passu with each other and rank pari passu in right of payment with all of the Company's other existing and future unsecured and unsubordinated indebtedness.

The indentures relating to the notes contain certain restrictive 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. Certain of these covenants cease to be applicable before the notes mature if the Company obtains an investment grade rating. The Company obtained investment grade rating in 2005.

In addition, the Company's Mexican operations hold \$51.1 million in bonds referred above as "Yankee 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 in the debt instrument.

At December 31, 2014, Minera Mexico was in compliance with this covenant.

Please see Note 10 "Financing" for a discussion about the covenants requirements related to our long-term debt, on page 106-107, Form 10-K 2014.



At the Cuajone mine, in Peru, we implemented the HPGR project and the variable cut-off ore grade project, which produced an additional estimated production of 23,500 tons of copper.



GERMAN LARREA MOTA-VELASCO**DIRECTOR.**

German Larrea Mota-Velasco, Director. Mr. Larrea has been Chairman of the Board of Directors 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 México, 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 México, S.A. de C.V. (“EIM”) (holding) 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 México, S.A. (Citigroup), which forms part of Grupo Financiero Banamex, S.A. de C.V. since 1992, Consejo Mexicano de Hombres de Negocios since 1999, and was a director of Grupo Televisa, S.A.B. from 1999 to 2014.

OSCAR GONZALEZ ROCHA**DIRECTOR.**

Oscar Gonzalez Rocha, Director. Mr. Gonzalez Rocha has been our President since December 1999 and our

President and Chief Executive Officer since October 21, 2004. He has been a director of the Company since November 1999. Mr. González Rocha has been the President and Chief Executive Officer of Americas Mining Corporation (“AMC”) since November 1, 2014 and 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. González 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”) in Mexico City, Mexico.

EMILIO CARRILLO GAMBOA**DIRECTOR.**

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 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 Teléfonos de México, 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 has been a member of the valuation, contract review, nominating and corporate governance, and audit committees of The Mexico Fund, Inc. since 2002. Mr. Carrillo Gamboa has served on the board and audit committee of Grupo Mexico since 2004 and on the boards of Grupo Nacional Provincial S.A.B. (Mexican insurance company) since 2007, Grupo Posadas, S.A.B. de C.V. (Mexican hotel operation company) since 2006, Grupo Profuturo, S.A.B. de C.V. (Mexican insurance and pension holding company) since 2009, and Kimberly-Clark de Mexico, S.A.B. de C.V. (consumer products) since 2002. Mr. Carrillo Gamboa has a law degree from the UNAM in Mexico City, Mexico. He also attended a continuous legal education program at Georgetown University Law Center in Washington D.C., and practiced at the World Bank.

ALFREDO CASAR PEREZ

DIRECTOR.

Alfredo Casar Pérez, Director. Mr. Casar Pérez 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 Pérez served as General Director and member of the board of directors of Compañía Perforadora México, S.A. de C.V. and México Compañía Constructora, S.A. de C.V., two affiliated companies of Grupo Mexico. Mr. Casar Pérez served as Project Director of ISEFI, a subsidiary of Banco Internacional, in 1991 and Executive Vice President of Grupo Costamex in 1985. Mr. Casar Pérez also worked for the Real Estate Firm, Agricultural Ministry, and the College of Mexico. Mr. Casar Pérez holds a degree in Economics from the Autonomous Technological Institute of Mexico, ITAM, and one in Industrial Engineering from Anáhuac University in Mexico City, Mexico. He also holds a Master’s degree in Economics from the University of Chicago in Chicago, Illinois.

LUIS CASTELAZO MORALES

DIRECTOR.

Luis Castelazo Morales, Director. Mr. Castelazo Morales has been a director of the Company since 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 Ingeniería, S.A. de C.V. (DISA), a Mexican construction company, for more than ten years. Mr. Castelazo Morales has also participated in different projects in Mexico through 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 (Asociación Mexicana de Intermediarios Bursátiles) 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, Mexico and a Master’s degree in Business Administration from the University of Texas at Austin in Austin, Texas.

ENRIQUE CASTILLO SANCHEZ MEJORADA

DIRECTOR.

Enrique Castillo Sánchez Mejorada, Director. Mr. Castillo Sánchez Mejorada has been a director of the Company since July 26, 2010 and is our fifth independent director nominee. From May 2013 to date, Mr. Castillo Sánchez Mejorada has been Senior Partner of Ventura Capital Privado, S.A. de C.V. (Mexican financial company) and since October 2013 to date, he has been Chairman of the board of directors of Maxcom Telecomunicaciones, S.A.B. de C.V. (Mexican telecommunications company). From April 2011 to May 2013, Mr. Castillo Sánchez Mejorada was a senior advisor at Grupo Financiero

Banorte, S.A.B. de C.V. (“GFNorte”). From October 2000 to March 2011, Mr. Castillo Sánchez Mejorada was the Chairman of the board of directors and Chief Executive Officer of Ixe Grupo Financiero, S.A.B. de C.V., a Mexican financial holding company that merged into GFNorte as of April 2011. In addition, from March 2007 to March 2009, Mr. Castillo Sánchez Mejorada was the President of the Mexican Banking Association (Asociación de Bancos de México). Currently, Mr. Castillo Sánchez Mejorada serves as an independent director on the boards of directors of (i) Grupo Herdez, S.A.B. de C.V., a Mexican holding company for the manufacture, sale and distribution of food products; (ii) 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; (iii) Organización Cultiba, S.A.B. de C.V. (formerly Grupo Embotelladoras Unidas, S.A.B. de C.V.), a Mexico-based holding company primarily engaged in the beverage industry; and (iv) Médica Sur, S.A.B. de C.V., a Mexico-based company engaged in the hospital business. From April 2012 until April 2014, Mr. Castillo Sánchez Mejorada served as an independent director on the board and as a member of the audit committee of Grupo Aeroportuario del Pacífico, S.A.B. de C.V., a Mexico-based and NYSE-listed company that operates, maintains and develops 12 airports in the Pacific and central regions of Mexico. Mr. Castillo Sánchez Mejorada was a member of the board of directors of Grupo Casa Saba, S.A.B. de C.V., a Mexican wholesale distributor of pharmaceutical, health, beauty and other consumer products and

operator of a retail pharmacy chain, from April 2010 until 2013. Mr. Castillo Sánchez Mejorada has been a member of the audit committee of Alfa, S.A.B. de C.V. since 2010. Mr. Castillo Sánchez Mejorada holds a Bachelor's degree in Business Administration from the Anáhuac University, in Mexico City, Mexico.

XAVIER GARCIA DE QUEVEDO TOPETE

DIRECTOR.

Xavier García de Quevedo Topete, Director. Mr. García de Quevedo has been a director of the Company since November 1999 and our Chief Operating Officer since April 12, 2005. Since November 1, 2014 Mr. Garcia de Quevedo Topete has served as the President of the infrastructure division of Grupo Mexico, composed of the energy, gas, oil and construction subsidiaries of Grupo Mexico. He was the President of Minera Mexico, S.A. de C.V. from September 2001 to October 31, 2014 and the President and Chief Executive Officer of Southern Copper Minera Mexico from April 12, 2005 until November 1, 2014. He was the President and Chief Executive Officer of AMC from September 7, 2007 to October 31, 2014. 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. García de Quevedo began 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. García 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 UNAM in Mexico City, Mexico. He also attended a continuous business administration and finance program at the Technical Institute of Monterrey in Monterrey, Mexico.

DANIEL MUÑIZ QUINTANILLA

DIRECTOR.

Daniel Muñoz Quintanilla, Director. Mr. Muñoz has been a director of the Company since May 28, 2008. Mr. Muñoz has been the Chief Financial Officer of Grupo Mexico since April 2007. Prior to joining Grupo Mexico, Mr. Muñoz was a practicing corporate-finance lawyer from 1996 to 2006. During this time he worked at Cortés, Muñoz y Núñez Sarrapy; Mijares, Angoitia, Cortés y Fuentes; and Baker & McKenzie (London and Mexico City offices). He holds a Master's degree in Financial Law from Georgetown University Law Center in Washington D.C., and a Master's degree in Business Administration from Instituto de Empresa in Madrid, Spain.

LUIS MIGUEL PALOMINO BONILLA

DIRECTOR.

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 directors 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 Profit Consultoria e Inversiones (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 director and chairman of the audit committee of the Bolsa de Valores de Lima (Lima Stock Exchange) since March 2013. 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 in Philadelphia, Pennsylvania and graduated from the Economics Program of the University of the Pacific in Lima, Peru.

GILBERTO PEREZALONSO CIFUENTES

DIRECTOR.

Gilberto Perezalonso Cifuentes, Director. Mr. Perezalonso has been a director of the Company

since June 2002 and is a special independent director nominee. Mr. Perezalonso was Chairman of the board of directors of Volaris Compañía de Aviación, S.A.P.I. de C.V. (airline) from March 2, 2011 to November 2014. He was Chief Executive Officer of Corporación Geo, S.A. de C.V. (housing construction) from February 2006 to February 2007. Mr. Perezalonso was the Chief Executive Officer of Aeroméxico (Aerovías de México, 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 México, S.A. de C.V. (banking), the board of directors and the investment committee of Afore Banamex (banking), the board and the investment committee of Sefore Banamex No. 1 (banking), and is a member of the boards of directors of Gigante, S.A. de C.V. (retail), Masnegocio Co. S. de R.L. de C.V. (information technology), Intellego (technology), Telefónica Móviles México, S.A. de C.V. (wireless communication), Cruz Roja Mexicana (emergency and medical services), Construction Company Marhnos (housing construction), and Fomento de Investigación y Cultura Superior, A.C. (Foundation of the Iberoamerican University). 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 in Mexico City, Mexico and a Master's degree in Business Administration from the Business Administration Graduate School for Central America (INCAE) in Nicaragua. Mr. Perezalonso has also attended a Corporate Finance program at Harvard University in Cambridge, Massachusetts.

JUAN REBOLLEDO GOUT

DIRECTOR.

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 UNAM, Political Science Department (1984-1985), and professor of said university (1981-1983). Mr. Rebolledo holds a law degree from UNAM in Mexico City, Mexico, an MA in philosophy from Tulane University in New Orleans, Louisiana, and an LLM from Harvard Law School in Cambridge, Massachusetts.

CARLOS RUIZ SACRISTAN

DIRECTOR.

Carlos Ruiz Sacristán, Director. Mr. Ruiz Sacristán 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 Sacristán has held various distinguished positions in the Mexican government, the most recent being that of Secretary of Communications 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 the Chairman of the board of directors of Asarco LLC. Mr. Ruiz Sacristán was a member of the board of directors from 2007 to 2012 and of the audit, and environmental and technology committees of Sempra Energy (energy services). In 2012, Mr. Ruiz Sacristán was appointed Chairman and Chief Executive Officer of IEnova, the Mexican operating subsidiary of Sempra Energy. He is a member of the boards 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), of OHL Concesiones Mexico (a construction and civil engineering company), and of AMAIT (an international airport in Mexico). Mr. Ruiz Sacristán holds a Bachelor's degree in Business Administration from the Anáhuac University in Mexico City, Mexico, and a Master's degree in Business Administration from Northwestern University in Chicago, Illinois.

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

CHIEF OPERATING OFFICER

RAUL JACOB RUISANCHEZ

VICE-PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER

AGUSTIN AVILA MARTINEZ

COMPTROLLER

JUAN MANUEL RODRIGUEZ ARRIAGA

VICE-PRESIDENT COMMERCIAL

VIDAL MUHECH DIP

VICE-PRESIDENT, PROJECTS

EDGARD CORRALES

VICE-PRESIDENT, EXPLORATIONS

JAVIER GOMEZ AGUILAR

VICE-PRESIDENT, LEGAL AND LEGAL ADVISOR

HANS A. FLURY

SECRETARY

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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 84.6 % of the stock of the Company, as of December 31, 2014. 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 2012, 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 2012, Messrs. Emilio Carrillo Gamboa and Enrique Castillo Sánchez Mejorada were our fourth and fifth independent directors. At its meeting on January 29, 2015, the Board of Directors determined that Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, Carlos Ruiz Sacristán, Emilio Carrillo Gamboa, and Enrique Castillo Sánchez 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 relationship of affinity and/or consanguinity exists among the members of the Board, and between them and the Executive Officers of Southern Copper Corporation.

SPECIAL COMMITTEES OF THE BOARD

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

1. **Executive Committee.** It is comprised of five members who substitute for the Board when sessions or decisions are required concerning urgent matters, or matters for which the Board would have expressly delegated its mandate.
2. **Audit Committee.** It is comprised of 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 performance of the internal audit function and of the independent auditors; and (iv) the Company's compliance with legal and regulatory requirements; and (b) prepare the report required by SEC rules.
3. **Compensation Committee.** It is comprised of four Board members and its principal objective is to evaluate and establish the remunerations of principal officers and key employees of the Company and its subsidiaries.
4. **Special Nominating Committee.** It is comprised of two independents Board members and one nominated by the Board and it has the exclusive

authority to propose and evaluate individuals who are proposed as special independents directors.

5. Corporate Governance Committee. It is comprised of four Board members and has as its primary functions to consider and make recommendations to the Board concerning the appropriate function and needs of the Board, to develop and recommend to the Board corporate governance principles, to oversee evaluation of the Board and management, and to oversee and review compliance with the disclosure and reporting standards of the Company that require full, fair, accurate, timely, and understandable disclosure of material information regarding the Company in reports and documents that it files with the SEC, the NYSE and equivalent authorities in the countries in which the Company operates, as well as in other public communications that it regularly makes.

6. Administrative Committee. It is designated by the Named Fiduciary appointed by the Board for the benefit plans as required by the Employee Retirement Income Security Act – ERISA of the United States. ERISA is the law that covers employee retirement and other benefit plans. . Mr. Daniel Muñoz Quintanilla is the Board-appointed Named Fiduciary for the Company's benefits plans subject to US regulations, including ERISA. This Officer appoints an Administrative Committee, which is comprised of three management members and its purpose is to administer and manage said plans and to oversee the performance of the trust agents and other fiduciaries charged with investing the plans' funds.

ADMINISTRATION AND BOARD INCOME

Total remunerations of Board and Administration members, in relation to the Company's gross income is 0.07%.

ANNUAL MEETING

The annual stockholders meeting of Southern Copper Corporation will be held at Edificio Parque Reforma, Campos Eliseos No. 400, 9th Floor, Col. Lomas de Chapultepec, Mexico City, C.P. 11000, Mexico, on Thursday, April 30, 2015 at 9:00 A.M., Mexico City time.

CORPORATE OFFICES:

UNITED STATES	MEXICO	PERU
1440 E. Missouri Avenue, Suite 160, Phoenix, AZ 85014, U.S.A. Phone: +(602) 264-1375	Edificio Parque Reforma, Campos Eliseos No. 400 Col. Lomas de Chapultepec, Mexico D.F Phone. +(52-55) 1103-5000,	Av. Caminos del Inca No. 171 Chacarilla del Estanque Santiago de Surco Lima 33, Peru Phone. +(511) 512-0440, Anexo 3181

Transfer Agent, Registrar and Stockholder

Services

Computershare
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 PROXY STATEMENT, extension 3325

Other Corporate Information

For other information on the corporation or to obtain additional copies of the annual report, Form 10-K 2013 contact to Investor Relations Department at our corporate offices:

Southern Copper Corporation

USA: 1440 East Missouri Avenue, Suite 160 Phoenix, Az. 85014, USA

Phone: (602)264-1375, Fax (602) 264-1397

En Mexico: Campos Eliseos No. 400, 11 floor, Col. Lomas de Chapultepec Mexico D.F.

Phone +(52-55) 1103-5000, Extension 5855.

En 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

Formulario 10-K¹

Attached Form 10-K 2013 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.

¹Form 10-K 2013, Phone. +(511) 512-0440, extension 3442 for Spanish

Members of the Board of Directors

German Larrea Mota-Velasco

Oscar Gonzalez Rocha

Emilio Carrillo Gamboa

Alfredo Casar Perez

Xavier Garcia de Quevedo Topete

Daniel Muñoz Quintanilla

Luis Miguel Palomino Bonilla

Gilberto Perezalonso Cifuentes

Juan Rebolledo Gout

Carlos Ruiz Sacristan

Luis Castelazo Morales

Enrique Castillo Sanchez Mejorada

AUDIT COMMITTEE

Emilio Carrillo Gamboa, Chairman

Luis Miguel Palomino Bonilla, and

Gilberto Perezalonso Cifuentes

Enrique Castillo Sanchez Mejorada



SOUTHERN COPPER CORPORATION

CORPORATE OFFICES

UNITED STATES

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