

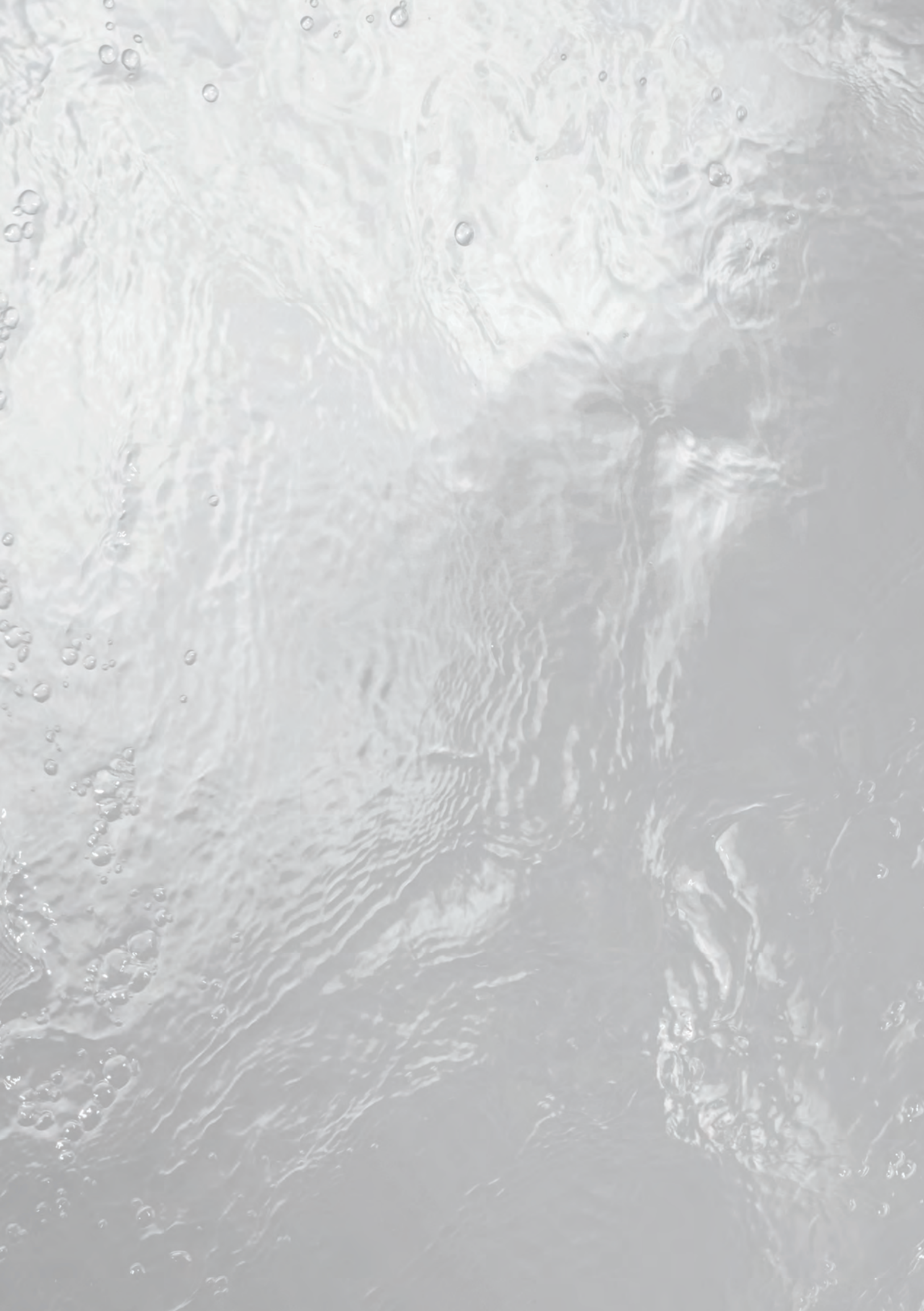


OUR WORK REFLECTS OUR EXPERIENCE.

ANNUAL REPORT 2019

OUR WORK REFLECTS OUR EXPERIENCE

84 YEARS WORKING NON STOP
ANNUAL REPORT 2019



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 2019. SCC takes responsibility for its contents according to applicable requirements.”

Andres Ferrero Ghislieri
General Counsel

Raul Jacob Ruisanchez
Vice President Finance Treasurer 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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// Toquepala Concentrator, Peru



Letter to shareholders

During 2019, total copper production reached over 1 million tons, a new milestone in the history of Southern Copper Corporation. This 12.5% increase in production, compared with 2018, was principally due to higher copper production at the new Toquepala concentrator (+51.5%); and at our Buenavista unit (+5.8%).

In 2019, net sales were \$7,285.6 million, a new Company record and 2.7% higher than 2018 net sales, principally due to higher sales volume for copper, molybdenum and silver. However, the market had a decrease in the prices of our main product, copper (-8.1%, LME), that offset the significant contribution of the additional sales volume.

We achieved significant increases in by-products as molybdenum (+22.3%), silver (+17.1%) and zinc (+4.4%), that allowed to consolidate Southern Copper Corporation as the one of lowest cost copper producer in the mining industry. Additionally, Southern Copper has continued to see the benefit of its expansion and cost reduction programs, which has allowed a 1.3% decrease in cash costs per pound of copper produced before by-product revenues, from \$1.54 in 2018 to \$1.52 in 2019. This decrease was the result of the unit cost effect of 13.1% higher production in Mexico and Peru.

Capital investments in 2019 were \$707.5 million. Our low production cost will provide operating strength and liquidity to continue our growth program in Mexico and Peru to reach 1.5 million tons of copper by 2028.

In 2019, we also received financial market recognition for our leadership position as one of the best low-cost copper producers of the industry, obtaining excellent terms in the issuance of our 30 year Minera Mexico, notes issued in the third quarter of 2019.

Southern Copper will continue to grow and develop projects, as Buenavista Zinc, this project is located within the Buenavista facilities in Sonora, Mexico, and includes the development of a new concentrator to produce approximately 80,000 tons of zinc and 20,000 tons of copper per year. The project has a budget of \$413 million, and we expect to initiate operations in the third quarter of 2022. Other two projects in Mexico are Pilares and El Pilar. The first one is located six kilometers from La Caridad, this project includes an open-pit mine operation with an annual production capacity of 35,000 tons of copper concentrates. This project will significantly improve the over-all mineral ore grade (combining the 0.78% expected from Pilares with 0.34% from La Caridad). The budget for Pilares is \$159 million and we expect it to start production during the first half of 2022. El Pilar will operate as a conventional open-pit mine and copper cathodes will be produced using the highly cost efficient and environmentally friendly SX-EW technology. We estimate a development investment of approximately \$310 million and expect this project to start production during 2023.

Currently, we have a portfolio of \$2.8 billion approved projects in Peru, of which we have already invested \$1.6 billion, mainly in the Toquepala concentrator. Considering the up-and-coming Michiquillay (\$2.5 billion) and Los Chancas (\$2.8 billion) projects, our total investment program in Peru will increased to \$8.1 billion. The Tia Maria project received the construction permit for this greenfield project of 120,000 tons annual SX/EW copper production with a capital budget of \$1,400 million. The Company continues to work on common grounds for dialogue with the neighboring communities to address any concerns they may have on the project and awaiting the proper economic and political conditions to move ahead with the project.

We reaffirm our commitment to continue focusing on generating long-term value for our shareholders with our expansion projects and efforts to reduce costs. We also express our commitment to our stakeholders and to focus on working for the development of local and regional communities and governments where we operate, which will result in sharing prosperity and sustainability for our business and society.

We believe that Southern Copper has solid foundations that guarantee its business success, as well as an adequate return that allows us to finance – simultaneously – both the development of productive projects and important social programs that we execute in each of the countries where we are present, benefiting neighboring populations to our operating areas.

On behalf of the Board of Directors of Southern Copper Corporation, we express our gratitude to all the staff for their 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

Production Statistics

Southern Copper Corporation and Subsidiaries

Five-year production statistics

		2019	2018	2017	2016	2015
Mine production (tons)						
Mined Material (thousand)		790,365	814,228	743,163	742,935	764,532
Copper in concentrates		841,452	741,488	711,720	715,360	569,072
Copper SX/EW		152,370	142,201	165,259	184,595	173,921
Total Copper		993,822	883,689	876,979	899,955	742,993
Molybdenum in concentrates		26,885	21,985	21,328	21,736	23,347
Zinc in concentrates		73,922	70,778	68,665	73,984	61,905
Silver in concentrates (thousand ounces)		20,273	17,308	15,926	16,172	13,288
Smelter / refineries production						
Copper		595,173	633,630	617,853	591,339	597,945
Zinc		104,977	107,536	104,402	106,093	100,576
Silver (thousand ounces)		12,588	13,583	13,688	15,196	13,638
Toquepala						
Mined Material (thousand)		249,083	241,514	203,778	209,064	193,013
Copper in concentrates		231,673	143,720	122,949	116,525	119,427
Molybdenum in concentrates		4,484	4,159	4,184	6,324	7,924
Cuajone						
Mined Material (thousand)		153,911	175,177	149,265	175,009	191,651
Copper in concentrates		156,393	160,579	158,105	171,448	178,187
Molybdenum in concentrates		3,285	3,099	3,746	3,926	4,444
Smelter / refineries in Peru						
SX/EW		26,329	26,526	25,093	24,880	24,167
Smelt concentrates		1,075,513	1,187,710	1,153,486	1,070,588	1,143,682
Blister produced		-	2,630	1,793	929	2,800
Anode produced		317,519	344,758	345,847	322,567	338,893
Cathode produced		256,647	292,654	291,373	270,183	292,654

	2019	2018	2017	2016	2015
Mexicana de Cobre – La Caridad					
Mined Material (thousand)	94,578	96,541	98,534	98,435	94,283
Copper in concentrates	107,161	106,087	106,271	104,949	103,861
Molybdenum in concentrates	10,206	9,809	9,934	9,911	10,040

Buenavista del Cobre					
Mined Material (thousand)	288,882	297,718	288,716	257,395	282,954
Copper in concentrates	141,521	139,157	135,690	140,661	142,025

Smelter / Refineries in Mexico					
SX/EW	126,041	115,675	140,166	159,715	149,754
Smelt concentrates	1,011,374	1,041,663	997,657	1,004,829	933,403
Anode produced	277,654	286,242	270,213	267,843	256,252
Cathode produced	231,609	239,185	228,062	224,158	213,360
Rod produced	142,728	147,147	133,100	144,516	138,180

Underground Mines					
Contents in concentrates (tons)					
Zinc	73,922	70,778	68,665	73,984	61,905
Lead	22,567	22,081	20,246	24,385	20,693
Copper in concentrates	8,265	6,221	5,486	6,428	5,593
Silver (thousand ounces)	6,943	5,649	4,760	5,622	4,995
Gold (ounces)	7,647	6,423	5,428	6,420	4,697

Copper Reserves

We believe we hold the world's largest copper reserves position. At December 31, 2019, our copper ore reserves, calculated at a copper price of \$2.90 per pound, totaled 67.6 million tons of contained copper (In 2019, the average LME and COMEX per pound copper prices were \$2.72), our internal ore reserve estimation value is as follows:

Copper contained in ore reserves	Thousand tons
Mexican open-pit	31,004
Peruvian operations	21,718
IMMSA	248
Development projects	14,604
Total	67,574

For more information about ore reserves refer to "Internal Ore Reserves Estimates", on page 56 of our 2019 Form 10-K.

Five-Year Selected Financial and Statistical Data

Southern Copper Corporation and Subsidiaries
For the years ended December 31

(in millions, except per share amounts, employee data and stock and financial ratios).	2019	2018	2017	2016	2015
Consolidated Statement of Earnings					
Net sales	\$7,285.6	\$7,096.7	\$6,654.5	\$5,379.8	\$5,045.9
Operating costs and expenses	4,532.6	4,215.5	4,035.6	3,815.6	3,631.5
Operating income	2,753.0	2,881.2	2,618.9	1,564.2	1,414.4
	6.1	5.2	3.9	2.3	4.7
Net income attributable to Non-controlling interest					
Net earnings attributable to SCC	\$1,485.8	\$1,543.0	\$728.5	\$776.5	\$736.4
Per share amount:					
Earnings basic and diluted	\$1.92	\$2.00	\$0.94	\$1.00	\$0.93
Dividends paid	\$1.60	\$1.40	\$0.59	\$0.18	\$0.34
Consolidated Balance Sheet					
Cash and cash equivalents	\$1,925.1	\$844.6	\$1,004.8	\$546.0	\$274.5
Total assets	16,407.4	14,267.8	13,780.1	13,234.3	12,593.2
Total debt	6,541.0	5,960.1	5,957.1	5,954.2	5,951.5
Total equity	\$6,858.2	\$6,612.9	\$6,149.4	\$5,870.9	\$5,299.2
Consolidated Statement of Cash Flows					
Cash provided by operating activities	\$1,911.9	\$2,235.1	\$1,976.6	\$923.1	\$879.8
Dividends paid	1,236.9	1,082.3	456.1	139.3	271.2
Capital investments	707.5	1,121.4	1,023.5	1,118.5	1,149.6
Depreciation, amortization and depletion	\$764.4	\$674.3	\$671.1	\$647.1	\$510.7
Capital Stock					
Common shares outstanding – basic and diluted (in thousand)	773,059	773,044	773,028	773,016	775,942
NYSE price – high	\$43.19	\$57.34	\$47.63	\$34.98	\$33.14
NYSE price – low	\$23.21	\$29.78	\$32.38	\$22.29	\$24.40
Book value per share	8.82	8.50	7.90	7.54	6.78
P/E ratio	22.10	15.42	50.35	31.82	28.19
Financial Ratios					
Current assets to current liabilities	2.83	2.61	2.71	2.57	2.70
Net debt as % of Net capitalization ⁽¹⁾	41.8%	42.6%	44.4%	47.7%	48.9%
Employees (at year end)	14,301	13,899	13,140	13,414	13,024

⁽¹⁾ Represents net debt divided by net debt plus equity. Net debt is defined as total debt minus cash, cash equivalents and short-term investments balance.

Capital Expenditures and Exploration Programs

Expansion and modernization

In 2019, we made capital investments of \$707.5 million. This is 36.9% lower than in 2018, and represented 47.0% of net income. Our growth program to develop the full production potential of our Company is underway. We are currently developing a new browfield plan to increase our copper production volume to 1.5 million tons in 2028 by developing new projects.

For 2020, the Board of Directors approved a capital investment program of **\$1,146.7 million.**

In general, the capital investments and projects described below are intended to increase production, decrease costs or address social and environmental commitments.

In addition to our ongoing capital maintenance and replacement spending, our principal capital programs include the following:



MEXICAN PROJECTS

Buenavista Zinc, Sonora

This project is located within the Buenavista facility and includes the development of a new concentrator to produce approximately 80,000 tons of zinc and 20,000 tons of copper per year. Currently, we have completed the basic engineering and obtained all environmental permits for the project. The project's budget is \$413 million, and we expect to initiate operations in the third quarter of 2022. When completed, this new facility will double the Company's zinc production capacity and will provide 490 direct jobs and 1,470 indirect jobs. The bidding process for the site preparation has started and the purchase orders for the main equipment have already been placed.

Pilares, Sonora

This project, located six kilometers from La Caridad, will be developed as an open pit mine operation with an annual production capacity of 35,000 tons of copper in concentrate. The ore will be transported from the pit to the primary crushers of the La Caridad copper concentrator through a new 25-meter wide off road facility for mining trucks, and will significantly improve the over-all mineral ore grade (combining the 0.78% expected from Pilares with 0.34% from La Caridad). The budget for Pilares is \$159 million and we expect it to start production during the first half of 2022. The connection road between Pilares mine and La Caridad mine is now under construction.

El Pilar, Sonora

This is a low capital intensity copper greenfield project strategically located in Sonora, Mexico, approximately 45 kilometers from our Buenavista mine. Its copper oxide mineralization contains estimated proven and probable reserves of 325 million tons of ore with an average copper grade of 0.287%. El Pilar will operate as a conventional open-pit mine and copper cathodes will be produced using the highly cost efficient and environmentally friendly SX-EW technology. We estimate a development investment of approximately \$310 million. The construction of the pilot plant is completed and the production tests have recently begun. We expect this project to start production during 2023.

The San Martin mine restoration program

After eleven years of an illegal stoppage, we resumed control of the San Martin mine in August 2018. The San Martin facilities deteriorated during this period and we undertook a major renovation in order to restart operations during the second quarter of 2019. Currently, the mine has 200,000 tons of ore storage and the concentrator has initiated production. In 2019, we produced 5,837 tons of zinc, 1.2 million ounces of silver and 1,335 tons of copper. The budget of the restoration program is \$97.7 million. At December 31, 2019 the program had a total expense of \$73.6 million.



PERUVIAN PROJECTS

Toquepala Concentrator Expansion

This \$1,320 million project includes a new state-of-the-art concentrator, which increased Toquepala's annual copper production to 258,000 tons in 2019, a 51.5% production increase, when compared to 2018. As of December 31, 2019, we have invested \$1,280.1 million in this expansion. Construction of the project was completed and production began in the fourth quarter of 2018. Full production was reached in the second quarter of 2019.

The project to improve the crushing process at Toquepala, with the installation of a High Pressure Grinding Roll (HPGR) system, has as its main objective, to ensure that our existing concentrator will operate at its maximum annual production capacity of 117,000 tons of copper while reducing operating costs through ore crushing efficiencies, even with an increase of the ore material hardness index. The budget for this project is \$52 million and as of December 31, 2019, we have invested \$51.9 million. We are in the administrative close-out process for this project, which was added to operations during the fourth quarter of 2018.



// Cuajone Mine, Peru.

Cuajone tailing thickeners project - Moquegua

This project will replace two of the three existing thickeners at the concentrator with a new hi-rate thickener. The purpose is to streamline the concentrator flotation process and improve water recovery efficiency, increasing the tailings solids content from 54% to 61%, thereby reducing fresh water consumption and replacing it with recovered water. As of December 31, 2019, we have invested \$31 million out of the approved budget of \$31.3 million in this project. This project was finished in October 2019.



Tailings disposal at Quebrada Honda - Moquegua

This project increases the height of the existing Quebrada Honda dam to impound future tailings from the Toquepala and Cuajone concentrators 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 finished the second stage with the installation of a new cyclone battery station that allows us to place more slurry at the dams. We are evaluating improvements in operational processes of this facility. The project has a total budgeted cost of \$116 million and we have invested \$107.2 million through December 31, 2019.

Environmental and social matters

Southern Copper Corporation (SCC) is a state-of-the-art, integrated mining company whose innovative style lies not only in the utilization of more efficient processes and new technologies, but also in our day-to-day operations, where we work to have more and better results, always aiming at the sustainability of the organization over time. We constantly strive to ensure that the Company's performance in the social, economic and environmental areas takes into account the expectations of our stakeholders.

Our business focus is on sustainable development, with which we guide our actions, our investments and the distribution of economic value. Every day we work to consolidate the confidence of our stakeholders by making them participants in management, communicating our performance and always taking account their expectations.

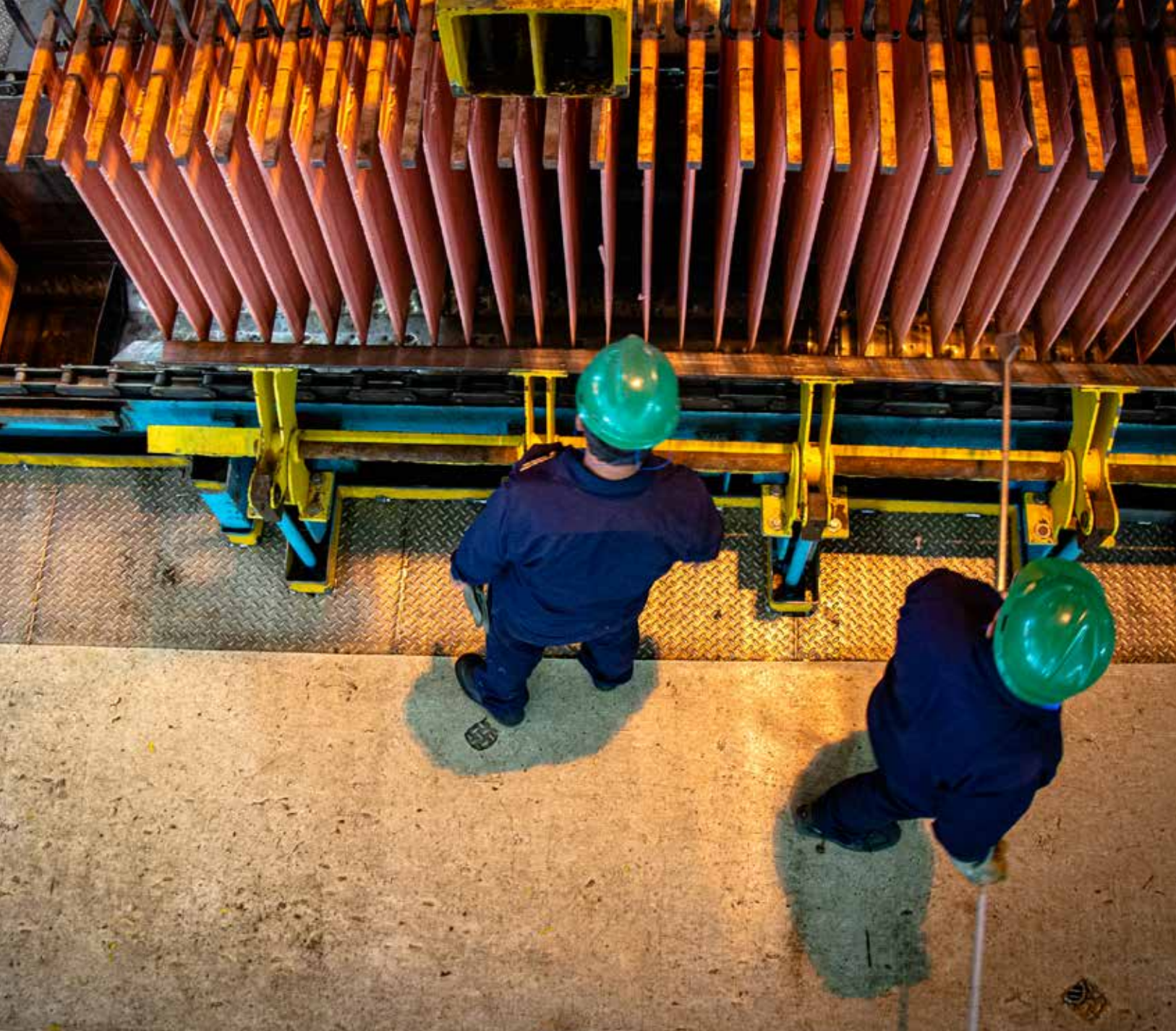
Our environmental commitment

We maintain an ongoing commitment to advance with the challenges of our expansion and modernization programs in harmony with our environment. In this sense, we not only seek regulatory compliance, we also operate under the best environmental practices, in order to always achieve optimum environmental performance, to identify, evaluate and mitigate the impacts generated by our activities on the environment:

SCC's environmental policy has the following goals

1. Responsible use of water and natural resources
2. Efficient use of energy and reduction of green-house-gas emissions
3. Reduction, control and mitigation of air emissions to atmosphere
4. Reduction in waste generation and its integrated management
5. Reforestation and biodiversity conservation
6. Mine closure





Cathode harvest, Ilo Refinery, Peru //

These lines of action are carried out in compliance with international and local certifications that rule our operating units in the countries where we are present. In 2019, seven of our units were granted the ISO 14001: 2004. These certifications, together with the 18 Clean Industry Certifications and Environmental Quality Certifications, are the result of the efforts of all our employees and result from a comprehensive application of our environmental practices.

For environmental management in our operations, in 2019, \$145 million were allocated to investments and environmental expenditures in the following areas: air, climate change, soil, waste, biodiversity, water and administrative management.



ENERGY AND CLIMATE CHANGE

At SCC, we believe that the fight against climate change is everyone's responsibility, including the private sector and the industries in which we participate. In addition, we are aware of the effects of climate change on our operations, so, by anticipating an increase in the probability of occurrence of extreme weather events, we have identified potential risks from global warming.

Given these challenges, we are taking measures, which include:

- Using energy more efficiently.
- Developing and using renewable energy sources.
- Increasing the level of electric power self-sufficiency.
- Promoting efforts to capture greenhouse gases.



Toquepala Dome, Peru. //

Accordingly, we are diversifying our sources of generation of clean, renewable energy for our supply. Our operations in Mexico have decreased their indirect greenhouse gas emissions by consuming clean energy supplied by SCC subsidiaries that generate electric power through its high efficiency combined cycle plant and a wind farm. In Peru, we generate energy from renewable sources, in particular from two hydroelectric plants with a combined capacity of 130 terajoules.

Accordingly, to our environmental goal, to reduce Greenhouse gases. SCC is taking action to maximize operational processes. In Mexico, we take advantage of heat generating in the smelter to produce energy.

By replacing traditional sources of energy with more efficient and renewable sources, in 2019, we achieved mitigation of 625,285 tCO₂e, equivalent taking out of circulation 135,000 passenger vehicles for a year.

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

It is important to highlight that in terms of climate change SCC, along with Grupo México, have been working together with non-governmental organizations to contribute in the fight against climate change. Such is the case of Grupo Mexico's four report in 2018 to the Carbon Disclosure Project, through which we have developed and reported our inventory of greenhouse gases at SCC.

On April 17, 2018, the Peruvian government enacted Law N. 30754, establishing a Climate Change Framework. Through this law, promoting public and private investment in climate change management is declared to be of national interest. The law proposes to create an institutional framework to address climate change in Peru, outlining new measures, particularly with respect to climate change mitigation. It includes, for example, provisions dealing with: increasing carbon capture and use of carbon sinks; afforestation and reforestation practices; land use changes; and sustainable systems of transportation, solid waste management, and energy systems. It was the first Latin American climate change framework law to incorporate responsibilities from the Paris Agreement. Regulations to this law were enacted by Supreme Decree 013-2019, published on December 31, 2019, and are applicable to all peruvian institutions and agencies. It is expected that further peruvian regulations would be applicable to non-governmental entities. The Company anticipates initiating a multi-year process to adopt applicable reporting recommendations of the Task-Force on Climate Related Financial Disclosures (TCFD) once new peruvian climate change regulations applicable to non-governmental entities are implemented. The Company is committed to the environment and to manage climate-related impacts. The Company's focus is to seek continuous improvement

in the responsible use of natural resources while complying with strict applicable legal standards for prevention, mitigation, control and remediation of environmental impacts. Implementing continuous improvement in the Company's processes allows greater efficiency in the use and consumption of energy, water, and other natural resources. During the multi-year development process, SCC intends to engage with interested shareholders. SCC intends also to report on the implementation of TCFD's disclosures in future Annual Reports and on its website.

With these actions, and others, SCC confirms its commitment to reduce its carbon footprint, and enhance its position as a sustainable global company, thereby improving its competitiveness and contributing to shift towards an environmentally friendly economic development.

// Mexican
gray wolf.



BIODIVERSITY

We are the company with the highest productive capacity of trees in the mining industry in Mexico. We produced 5.8 million trees in 2019, which meets our goal of guaranteeing a production of 5 million trees per year, in a joint effort among entities in charge of reforestation.

In our operating units, we have six forest nurseries and greenhouses whose production of regional native species is used to reforest and rehabilitate ecosystems, including those areas not adjacent to our operations. These forest nurseries contribute to biological biodiversity and enrichment of flora and fauna; and in addition, they act as natural carbon sinks, trapping CO₂ from the atmosphere.

As part of our conservation efforts, **we have a 5.7 hectare Environmental Management Unit (EMU)** that has been developed to replicate the wildlife environment of threatened and endangered species, including Mexican Gray Wolf and Turkey Gould, along with other species that are part of our program.



// Cub of Mexican Gray Wolf in UMA.



Since the beginning of the Binational Program, **433 wolves have been born and 51 specimens have been released.**

The EMU strategy is focused on reproduction and release of species, as well as ecosystems regeneration. In addition, the program reflects our efforts to involve community in the protection of the environment, in particular, biodiversity of Sonora. In an Ecological Path, along 1.8 kilometers, EMU works offering educational and recreational activities, which involved 5,000 people and 52 schools per year in average.

In Peru, we continue making significant environmental expenditures in Ite bay remediation program in Tacna. In an area of 1,600 hectares, the contaminant removal program is successfully. It is the largest and most diverse coastal waterfowl wetland in the country, and it is also a tourist attraction that improve economic development.

In 2019, **71%** of the total water consumption of our mining operations **was recovered water.**

WATER MANAGEMENT

Water is the most important input for our mining operations. SCC develops projects to ensure water sustainability, does an efficient use of source, promotes and reuse of water discharged by third parties.

The efficient use of water and savings programs are based on the implementation of pumping systems to recover water, continuous water recovery from tailings and thickener processes, implementation and maintenance of closed circuits to use the total volume of process water, and Implementation of the Zero Wastewater Discharge Program, looking for a more efficient management of water resource.

These reused water programs represent a large portion of total water consumption. In 2019, 71% of total water consumption in mining operations was reclaimed water, which management results speaks by itself.





Open pit at Cananea, Sonora, Mexico. //

In 2019, we invested \$11 million in infrastructure and equipment to increase water recovery in our processes. In addition, we installed high efficiency thickeners that will allow us to recover more water.

In some of our units, SCC uses municipal wastewater, which are treated previously, such in San Luis Potosí and Cananea (Mexico), so that we support regular fresh water supply to local population.

OUR COMMUNITIES

Model of community development

SCC looks to improve life quality in communities around its operations, promoting an approach based on management responsibility. SCC has developed a model, which people become as generators of its own development.

Community Development Model proposes an approach relationship with communities by three specific components:



GOOD NEIGHBORS

In order to generate positive relations with neighboring communities, we maintain constantly communication with them.

ECONOMIC DEVELOPMENT

Through training and skill-building programs, as well as investments in infrastructure, we promote the productive strengthening and economic value of the community.

HUMAN DEVELOPMENT

To generate trustable relationships and co-responsibility with the communities, our Casa Grande model develops programs focused on education, health, culture, and environment in its own community centers.

This model is known as “Casa Grande” in Mexico and “Casa Nuestra” in Peru, and it has been implemented through the following tools:

- **16 Community Development Centers** - Those are Open Houses for community, where courses and workshops are held in order to promote development by programs and projects focused on education, health, culture, and care for the environment.
- **Participatory Diagnostics** - Together, community and SCC, participate carrying out Human Development activities. Based on community’s diagnosis, we identify their needs and expectations, which are satisfied in accordance with Casa Grande model.
- **Community Committees** - Integrated by volunteer leaders from community, as well as members of the Company who collaborate in evaluating sustainable proposals.
- **Seed Capital** - We call on communities to present their own initiatives. SCC establishes, as main axes, education and environment, been complemented by health, safety and productivity projects.

Children and young people are our priority; in that sense, we work to get a better future for new generations. Community projects are evaluated in mix committees conformed by SCC and local personalities, promoting dialogue and citizen participation.

- **Productive Projects** - Projects that transform community lives by productive skills.



// Control center, Cujane Concentrator, Peru

By this model, our team of experts materializes Company initiatives and includes the participation of SCC volunteers and the community. Community centers are meeting points to generate shared value.

Together, SCC' social team and volunteers from communities neighboring developed projects in 2019. We carried out 9,607 activities and more than 362 projects, 16,296 community and corporate volunteers participated in these programs. With projects named as Seed Capital and summer camps, we encouraged the formation of development generators and proactive leaders that strengthen the well-being in their communities.

SCC has invested more than **\$33 million** in the incorporation of information and communication technology.

EDUCATION AND ENTREPRENEURSHIP

Another way to contribute to the development of people is through training activities for children and young people from neighboring communities, during either elementary training, secondary education or even university studies. In our mining operations in Mexico and Peru, we contribute to the education of the communities through 11 own schools, sponsored by the Company, and the delivery of scholarships for different levels of studies, which also extend to our collaborators and their families.

In Peru, we have implemented the TICs project (Information Technology and Communication) in Moquegua, which is considered a pioneer effort to reduce the technological gap in rural areas of Peru. Through cooperation between the Regional Government of Moquegua and SCC, the use of TICs in the teaching and learning process is incorporated, benefiting 33,560 students and teachers of Mariscal Nieto, Ilo, and Sánchez Cerro in the Moquegua Region. To date, SCC has invested more than \$33 million in the incorporation of information and communication technology for the benefit of students and teachers in Peru.

We also continue promoting the training and job selection program Forjando Futuro (“Forging the Future”), created to respond, through capacity building, to the professional and labor skill needs of the residents located in the areas of influence of our operations in the south of Peru.

INFRASTRUCTURE AND SERVICES

In Peru, our mining operations are located in a remote area in the south of the country, in a rural environment. We contribute to its development in close cooperation with the authorities and representative organizations of the region. Our commitment to the community manifests in the following areas of work: education and capacity building, health, nutrition, infrastructure and support to the agricultural sector.

In this sense, SCC contributes to the expansion of water supply infrastructure and irrigation techniques in the provinces in which we operate. In 2019, we invested more than \$3.4 million in projects aimed at optimizing the availability and use of water in agricultural activities in Peru. An example of this is the installation project of the technical irrigation system in Tapala, Candarave. The works include the construction of a water reservoir, installation of lines of conduction, and training for the maintenance of these systems.





Aerial view of Tapala, Candarave - Peru. //

In 2019, we have invested more than **\$3.4 million in projects** aimed at optimizing the availability and use of water in agricultural activities in Peru.

SOCIAL INVESTMENT

In 2019, SCC has invested more than \$ 40.2 million in social development programs, related to education, health, productive projects and infrastructures and services.

Investment in Community Development Programs	\$ (in millions)
Community development programs, social linking and productive projects	10.5
Operating expenses in schools and camps	18.5
Infrastructure and equipment in neighboring communities	10.1
SCC townsite infrastructure	1.1
Total	40.2

At Southern Copper Corporation, our business model is focused on continuously improving quality of life in communities around our operation areas, by encouraging meaningful development, and strengthening collective participation that will result in common good, placing people as central agents of development.



Worker at
mechanical workshop. //

Results of Operations

Years ended December 31, 2019, 2018 and 2017

Our net income attributable to SCC in 2019 was \$1,485.8 million, compared to \$1,543.0 million in 2018 and \$728.5 million in 2017. In 2019, net income attributable to SCC decreased mainly due to increases in cost of sales and depreciation, amortization and depletion, as well as lower prices for copper and molybdenum. The increase in 2018 net income was mainly due to higher sales and lower taxes as the 2017 financial results included the one-time, non-cash income tax adjustment of \$785.9 million recorded in 2017 as a result of the U.S. income tax legislation enacted in the fourth quarter of 2017.

The Company presents its operating cash costs both including and excluding the revenues of its by-products (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 per pound of copper produced, as previously defined, for the three years ended December 31, is as follows:



	2019	2018	2017
Operating Cash Cost without by-product revenues	1.52	1.54	1.49
Operating Cash Cost with by-product revenues	0.88	0.87	0.92

*Dollar per pound



SX-EW III Plant, Sonora, Mexico //

As seen in the previous table, our per pound cash cost before by-product revenues in 2019 was 1.3% lower when compared with 2018. This decrease was the result of the unit cost effect of 13.1% higher production.

NET SALES

2019-2018

Net sales in 2019 were \$7,285.6 million, compared to \$7,096.7 million in 2018, an increase of \$188.9 million. This 2.7% increase was mainly the result of higher copper (+11.3%), molybdenum (+21.7%) and silver (+5.7%) sales volumes, partially offset by copper (−8.1%) and molybdenum (−5.0%) prices.

2018-2017

Net sales in 2018 were \$7,096.7 million, compared to \$6,654.5 million in 2017, an increase of \$442.2 million. This 6.6% increase was mainly the result of higher copper (+5.7%) and molybdenum (+45.9%) prices and higher sales volumes of silver (+15.3%) and molybdenum (+3.3%), partially offset by lower silver price (−8.1%) and lower zinc sales volume (−1.0%).

Prices

The profitability of our operations is dependent on, and our financial performance is significantly affected by, the international market prices for the products we produce, especially for copper, molybdenum, zinc and silver. 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	2019	2018	2017
Average metal prices			
Copper (per pound - LME)	\$2.72	\$2.96	\$2.80
Copper (per pound - COMEX)	\$2.72	\$2.93	\$2.80
Molybdenum (per pound)	\$11.27	\$11.86	\$8.13
Zinc (per pound - LME)	\$1.16	\$1.33	\$1.31
Silver (per ounce - COMEX)	\$16.16	\$15.65	\$17.03

SALES VOLUME

In millions pounds, except silver – millions ounces

Copper	2,173.8	1,953.0	1,959.2
Molybdenum (1)	59.2	48.6	47.1
Zinc	228.5	234.8	237.2
Silver	20.6	19.4	16.9

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

Environmental matters

The Company has instituted extensive environmental conservation programs at its mining facilities in Peru and Mexico. The Company's environmental programs include, among others, water recovery systems to conserve water and minimize the 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 investments in years 2019, 2018 and 2017, were as follows (in millions):

	2019	2018	2017
Mexican operations	\$64.3	\$43.5	\$128.9
Peruvian operations	\$18.6	\$59.3	\$93.7
Total	\$82.9	\$102.8	\$222.6



MEXICAN OPERATIONS

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

The principal legislation applicable to the Company's Mexican operations is the Federal General Law of Ecological Balance and Environmental Protection (the "General Law"), which is enforced by the Federal Bureau of Environmental Protection ("PROFEPA"). PROFEPA monitors compliance with environmental legislation and enforces Mexican environmental laws, regulations and official standards. It may also initiate administrative proceedings against companies that violate environmental laws, which in the most extreme cases may result in the temporary or permanent shutdown of non-complying facilities, the revocation of operating licenses and/or other sanctions or fines.

In 2011, the General Law was amended, giving 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 as long as it can be argued that the harm may be caused. In addition, in 2011, amendments to the Civil Federal Procedures Code ("CFPC") were enacted. 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 2013, the Environmental Liability Federal Law was enacted. The law establishes general guidelines for actions to be considered to likely cause environmental harm. If a possible determination regarding harm occurs, environmental clean-up and remedial actions sufficient to restore environment to a pre-existing condition should be taken. Under this law, if restoration is not possible, compensation measures should be provided. Criminal penalties and monetary fines can be imposed under this law.

On February 2019, the Mexican Supreme Court confirmed the constitutionality of an ecological tax to extractive activities developed in the state of Zacatecas, which taxes the environmental remediation actions, emissions of certain gases to the atmosphere, emissions of pollutant substances to the soil or water, and waste storage within the state territory. The Company has determined that this new environmental regulation will have no impact on its financial position.



Panoramic view of Toquepala Concentrator, Perú //



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 mine closure and remediation. In accordance with the requirements of this law, the Company's closure plans were approved by MINEM. See Note 10 "Asset retirement obligation" of our 2019 Form 10-K, for further discussion of this matter.

Air Quality Standards ("AQS"): In June 2017, MINAM enacted a supreme decree, which defines new AQS for daily sulfur dioxide in the air. As of December 31, 2019, the Company maintains a lower daily average level of $\mu\text{g}/\text{m}^3$ of SO_2 , than those required by the new AQS.

Soil Environmental Quality Standards (“SQS”): In 2013, the Peruvian government enacted SQS applicable to any existing facility or project that generates or could generate the risk of soil contamination in its area of operation or influence. In March 2014, MINAM issued a supreme decree, which established additional provisions for the gradual implementation of SQS.

In accordance with the regulatory requirements, the Company has been working on the characterization phase and a Soil Decontamination Plan (“SDP”) for environmentally impacted sites in each of its operating units (Toquepala, Cuajone, and Ilo) with the assistance of consulting companies. The Toquepala and Cuajone SDP were presented to the authorities for review and approval during the third quarter of 2019, and the Ilo SDP was submitted in January 2020.

While the Company believes that there is a reasonable possibility that a potential loss contingency may exist, it cannot currently reasonably estimate the amount of the contingency. The Company believes that a reasonable determination of the loss will be possible once the characterization study and the SDP are reviewed and approved by the Peruvian government, which is expected for 2020. At that time, the Company will be in a position to estimate the remediation cost. Furthermore, the Company does not believe that it can estimate a reasonable range of possible costs until the noted studies have substantially progressed and therefore is not able to disclose a range of costs that is meaningful.

The Company believes that all of its facilities in Peru and Mexico 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 investments.



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 30.
Brief Description: Southern Copper Corporation (SCC) is one of the largest integrated copper producers in the world. We produce copper, molybdenum, zinc, silver, lead and other by-products. 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 and 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. 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.

Economic Group

SCC, indirectly, is part of “Grupo Mexico S.A.B. de C.V.” which owns 100% of Americas Mining Corporation (“AMC”).

Name of the company		Location	Inscription in the RPMV	%
SEVERAL ACTIVITIES				
1	Grupo Mexico, S.A.B. de C.V.	Mexico		
2	Grupo Mexico Servicios, S.A. de C.V.	Mexico		100
RAIL TRANSPORT ACTIVITIES				
3	Infraestructura y Transportes Mexico, S.A. de C.V.	Mexico		100
MINING ACTIVITIES				
4	Americas Mining Corporation (AMC)	USA		100
5	Southern Copper Corporation (SCC)	USA	Sí	88.90
6	Minera Mexico, S.A. de C.V.	Mexico		99.96
7	Industrial Minera Mexico, S.A. de C.V.	Mexico		100
8	Buenavista del Cobre, S.A. de C.V.	Mexico		100
9	Mexicana de Cobre, S.A. de C.V.	Mexico		98.20
10	Southern Peru Copper Corporation Agencia en Chile	Chile		100
11	Southern Peru Copper Corporation Sucursal en Peru	Peru	Sí	99.29 ⁽¹⁾
12	Compañía Minera Los Tolmos S.A.	Peru		100

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



Molybdenum plant, Sonora, Mexico //

Corporate Capital and Common Stock		Shares	
The authorized number of shares		2,000,000,000	
Issues an Paid Capital: Common Shares		884,596,086	
Nominal Value of Common Shares		\$0.01	
Total number and percent of shares		Shares	Interest
Americas Mining Corporation		687,275,997	88.9%
Common Shares owned by 3rd parties		85,782,872	11.1%
Total outstanding shares		773,058,869	100.0%



// La Caridad mine, Nacozari de Garcia, Sonora, Mexico.

OPERATIONS IN MEXICO



La Caridad Mine

“La Caridad Concentrator” began operations in 1979. The concentrator has a current capacity of 94,500 tons of ore 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” has an annual design capacity of 21,900 tons of copper cathodes. Approximately 1,009.2 million tons of leaching ore with an average grade of approximately 0.219% copper have been extracted from the La Caridad open pit mine and deposited in leaching dumps from May 1995 to December 31, 2019.

La Caridad Metallurgic Complex

La Caridad Smelter started operations in July, 1986. The actual installed capacity of the smelter is 1,000,000 tons per year, a capacity that is sufficient to treat all the concentrates of La Caridad and almost 40.5% of total production of the OMIMSA I and OMIMSA II concentrators from Buenavista, and starting in 2010, the concentrates from the IMMSA mines, as we closed the San Luis Potosi smelter.

“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. The installed capacity of the refinery is 300,000 tons per year.

“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”, a rod plant at the La Caridad complex began operations in 1998 and reached its full annual operating capacity of 150,000 tons in 1999. The plant is producing eight-millimeter copper rods with a purity of 99.99%.

Effluent and Dust Treatment Plant, a dust and effluent plant with a treatment capacity of 5,000 tons of smelter dusts per year, which will produce 1,500 tons of copper by-products and 2,500 tons of lead sulfates per year. This plant started its operating in 2012.

Buenavista Mine

“Buenavista Concentrator”, the original concentrator currently has a nominal milling capacity of 82,000 tons per day. The second concentrator began operations in 2015 with a nominal milling capacity of 100,000 tons per day.

“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 June 2014, we completed the construction of a new SX-EW plant that significantly has increased production of leachable material by approximately 120,000 tons per year. The SX-EW facilities have a cathode production capacity of 174,470 tons per year.

Underground Mines

- The **Santa Barbara** Unit with a milling capacity of 5,800 tons of ore per day.
- The **Santa Eulalia** Unit with a milling capacity of 1,450 tons of ore per day.
- The **San Martín** Unit with a milling capacity of 4,400 tons of ore per day.
- The **Charcas** Unit with a milling capacity of 4,100 tons of ore per day.
- The **Taxco** Unit with a milling capacity of 2,000 tons per day.
- **Coal Washery Plant** with a capacity of 300,000 MT per year.
- The **Zinc Refinery** with a capacity of 288 tons per day of refined zinc.



Aerial view of Buenvista del Cobre, Cananea, Sonora. //

PERUVIAN OPERATIONS



Toquepala

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

Based on Report No. 413-97-EM/DGM/DPDM dated July 7, 1997, the “Director General de 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.

Based on Report N° 147 – 2019 - MEM-DGM/DTM/V, dated June 03, 2019, the “Director General de Minería” authorized the expansion of the Toquepala Concentrator to a capacity of 120,000 MT per day. According with this Report, the Company must compliance with, among others, recommendations, environmental commitments and safety regulations, and occupational Health and Safety Regulations.

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.





La Caridad mine, Sonora, Mexico //

Based on Report No. 660-98-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.



// Aerial view of Cuajone Mine, Moquegua, Peru.



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 18, 2011, we requested to the Peruvian authorities through resources N° 2144941 to add three additional facilities (HPGR mill and others).

On May 2012, 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, by the Application N° 1961695, 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 expanding 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 seawater-washing screens.

Resolution N°038-2011-MEM-DGM-DTM/PB dated February 2, 2011, based on Report N°035-2011-MEM-DGM-DTM/PB, authorized modification in the concession of “Coquina Wash Plant and Seashell Concentrates” to a classified dry seashell plant without expanding its capacity throughput, which represents 2,068 tons/day. By the Application N° 2499277 dated on May 19, 2015, SPCC requested temporary suspension for three years of its plant Dry Seashell Concentrates.

Resolution N° 0850-2018 – MEM-DGM/V dated November 15, 2018, based on Report N° 162-2018 /MEM-DGM-DTM-PCM, the communication presented by SPCC to MEM, on the beginning of the closure of the facilities of the Coquina Mine.



// Sport workshop sponsored by Casa Grande at Santa Bárbara mine, Mexico

DESCRIPTION OF OPERATIONS AND DEVELOPMENT REGARDING THE ISSUING ENTITY PURPOSE

Detail of the corporate purpose

The purpose of 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 SCC

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.

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” (now, 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, at that time, former owners of Labor Shares acquired 17.31% of SPCC’s Capital, and this company acquired ownership of 80.77% of Labor Shares (now, 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 Equity Participation Account (Investment Shares), which were kept 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 Corporation (AMC).

Acquisition of Minera Mexico (“MM”), and other corporate changes

SCC shareholders, in a shareholder extraordinary meeting dated March 28, 2005, approved issuance of Common Shares and required actions related to the acquisition of MM, a firm incorporated pursuant to the Laws of the Republic of Mexico. This transaction was approved by more than 90% of the stocks and circulating capital of SCC. To acquire 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 Americas Mining Corporation, purchased 11.8 million and 4.9 million shares of the Company's common Stock, respectively.

The Special Nominating Committee has the right to nominate a number of special independent directors based on the total number of directors in the Board multiplied by the percentage of Common Shares all the shareholders (that are not Grupo Mexico and its affiliates) have, rounding up to the following integer number. Notwithstanding the above mentioned, the total number of individuals appointed as special independent directors (not belonging to Grupo Mexico) cannot be less than two or more than six.

The Special Nominating Committee consists of three directors. 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 Gilberto Perezalonso Cifuentes, 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.

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

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

Transactions with affiliates

In 2019, the Company has entered into certain transactions in the ordinary course of business with parties that are controlling shareholders or their affiliates. These transactions include the lease of office space, air and railroad transportation, construction services, energy supply and other products and services related to mining and refining. The Company lends and borrows funds among affiliates for acquisitions and other corporate purposes. These financial transactions bear interest and are subject to review and approval by senior management, as are all related party transactions. It is the Company's policy that the Audit Committee of the Board of Directors shall review all related party transactions. The Company is prohibited from entering or continuing a material related party transaction that has not been reviewed and approved or ratified by the Audit Committee.

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 renaming Southern Peru Copper Corporation as 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, at the same date, the majority shareholder approved an amendment of our Articles of Incorporation to remove others' provisions in our Articles of Incorporation 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 amendment of our Articles of Incorporation 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 to the Articles of Incorporation and By-laws

On January 26, 2006, the Board approved amendment to Southern Copper Corporation’s Articles of Incorporation and by-laws: (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 88.91% of SCC shares.

Information about plans and investment policies:

See Capital Expenditures and Exploration on page 12.

Relationship between the Issuer and the Government

On November 20, 1996, SPCC 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 18, 1995, SPCC 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%.

Social Investment for Taxes

SCC has signed agreements with the regional and local governments of Tacna, Moquegua, and Arequipa, under the law of Social Investments for Taxes (Obras por Impuestos). Once the investments are completed, the municipalities benefiting from these investments must submit a certificate of public, local or regional investment. SCC has the right to use these investment amounts as an advance payment of its income tax liability, with a limit 50% of prior year income tax.



Mining trucks,
Toquepala, Peru. //



SAFETY AND HEALTH

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

Accordingly, our main commitment is to create optimal and safe work environments for our employees, applying the highest safety and occupational health standards. Our goal: ZERO accidents.

An Integrated Occupational Health and Safety Management System allows us to implement effective processes and provide our employees knowledge and skills necessary for the identification, control and mitigation of risks, prioritizing actions and the necessary care to prevent accidents.

In 2019, we maintained 12 units in Mexico and Peru whose Occupational Safety and Health Management System have been certified according to OHSAS 18001: 2007. Additionally, in Mexico we have 27 units certified with the Secretariat of Labour and Social Welfare in Self-Managed Occupational Health and Safety (PASST), endorsing our commitment to best practices in health and safety at work.



Refining, Ilo Peru. //

The accomplishments achieved in 2019 on occupational health and safety include:

- The occupational accident rates at our mining operations in SCC is 31% below average mining industry in USA, according to Mine Safety and Health Administration.
- The Mining Chamber of Mexico (CAMIMEX) awarded the “Jorge Rangel Zamorano” Silver Helmet Trophy to Mexicana de Cobre and Santa Eulalia unit, for achieving the lowest recorded accident rates in the industry, as for its efforts in the field of accident prevention.

During 2019, accident rate (IR) increase in 10% compared with 2018. We improve our strategies to prevent and identify risk conditions, with an aim to guarantee physical integrity of our collaborators.

Accident Rates (IR)

SCC, 2015-2019

2015	0.72
2016	0.77
2017	0.75
2018	0.74
2019	0.82

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

Severity Rate (GR)

SCC, 2015-2019

2015	0.24
2016	0.32
2017	0.51
2018	0.31
2019	0.89

$$\text{GR} = \frac{\text{No.of days lost}}{\text{No.of total men - hours worked}} \times 1,0$$

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

OCCUPATIONAL HEALTH

Healthy environments are part of the organizational culture and management system, as a responsibility of the Company that establishes a culture of involvement, participation and commitment to generate better health conditions that lead to improving the quality of life of our employees, their families and the communities in which we operate.

Occupational Disease Rate (ODR)

SCC, 2015-2019

2015	0.14
2016	0.41
2017	0.34
2018	0.18
2019	0.42

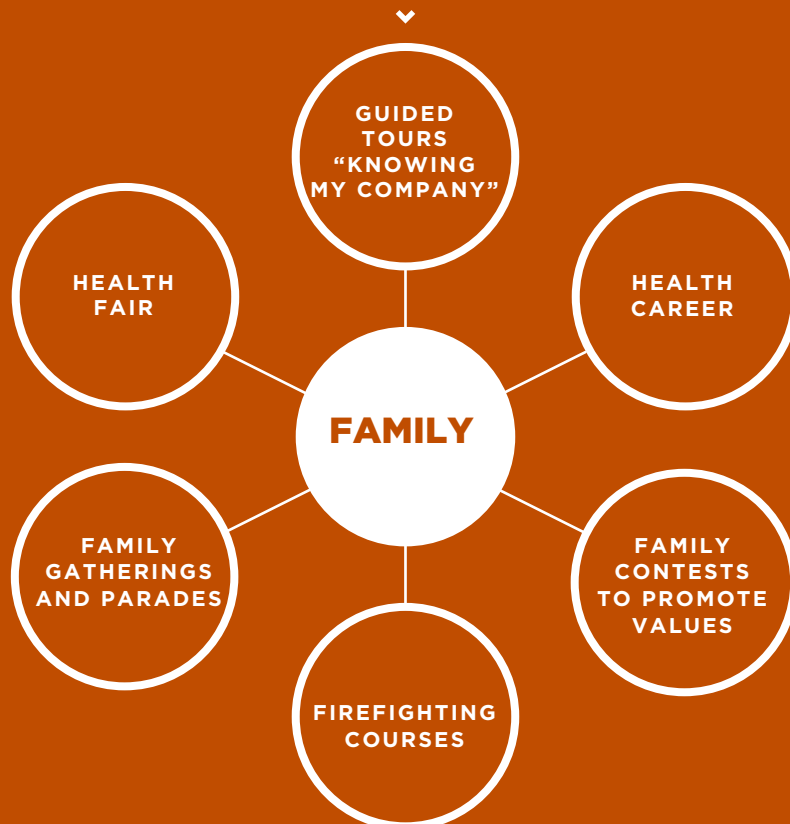
$$\text{ODR} = \frac{\text{No. of Cases of Occupational Diseases}}{\text{No. of Total Men-Hours Worked}} \times 200,000$$

We continue implementing several programs in education, prevention and control risk, as well as disease treatment. We aim to ensure worker health care. These programs are oriented to our collaborators and, in some cases, to their family members, contractors, suppliers, institutions and public.

ACTIVITIES TARGETING WORKPLACE PERSONNEL



ACTIVITIES TARGETING EMPLOYEES' FAMILIES AND COMMUNITY



INVESTMENT IN SAFETY AND HEALTH

During 2019, we invested over \$140 million in occupational safety and health, focusing efforts on engineering works, purchase of personal protective equipment, training, coaching, and industrial hygiene studies. In enhanced occupational health, we have developed programs in promotion and protection health, as well as in primary prevention, treatment and rehabilitation.

Employees For the year ended December 31th

	2019	2018	2017	2016	2015
Mexican Operations	9,358	9,002	8,450	8,762	8,316
Peruvian Operations	4,890	4,850	4,628	4,562	4,602
Ecuador Office	23	30	27	47	52
Argentina Office	15	5	18	20	26
Chile Office	9	5	10	20	26
USA Office	1	2	2	3	2
OHISA	5	5	5	5	
Total Employees in SCC					
Mexico	9,358	9,002	8,450	8,762	8,316
Peru	4,890	4,850	4,628	4,562	4,602
Ecuador	23	30	27	47	52
Argentina	15	5	18	20	26
Chile	9	5	10	20	26
USA	1	2	2	3	2
OHISA	5	5	5	5	-
Total	14,301	13,899	13,140	13,414	13,024

PRINCIPLES OF CORPORATE GOVERNANCE

Information referred to the Resolution of “Superintendencia del Mercado de Valores” No. 012-2014-SMV / 01, consisting of a “Report on Compliance with the Code of Good Corporate Governance for Peruvian Companies” is applicable only to Peruvian companies. Not being SCC a Peruvian company, this report is not submitted to the “Superintendencia del Mercado de Valores” (SMV) of Peruvian Republic. Notwithstanding, SCC submits the “Annual Written Affirmation” to SMV. This document is an informative of Good Corporate Governance, which our company remits annually to the New York Stock Exchange.

Economic relations with other companies due to loans that commit more than 10% of the stockholder’s equity of the issuing entity. To the 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 on our 2019 Form 10-K.

Changes of those responsible for the preparation and revision of the financial Information. At December 31, 2019, no changes have been done.



Truck operator
at Cuajone mine,
Peru //

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 (formerly, "Southern Peru Copper Corporation" is now "SCC").

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

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

All share and per share amounts were retroactively adjusted to reflect the stock splits.

Between 2008 and 2016, the Company and AMC had bought shares periodically.

At December 31, 2019, there were of record 773,058,869 shares of common stock of the Company, par value \$0.01 per share, outstanding.

CORPORATE NOTES

Between July 2005 and October 2015, the Company issued senior unsecured notes eight times totaling \$6.2 billion. 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 \$51.2 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, 2019, the Company was in compliance with this covenant.

On September 26, 2019, Minera México S.A. de C.V., a subsidiary of SCC, issued \$1 billion Senior Notes at a fixed rate with a discount of \$12.7 million, which will be amortized over the corresponding debt period. This debt was issued in a single tranche, maturing in 2050 at an annual interest rate of 4.5%. Interest on the notes will be paid semi-annually at maturity. The Company aims to use the net proceeds from the offer (i) to finance the expansion program of Minera Mexico, including the Buenavista Zinc, Pilares and El Pilar projects, (ii) for other capital expenditures, and (iii) for general corporate purposes.





Cuajone mine, Peru //

The notes constitute general unsecured obligations of Minera Mexico. The notes were issued in an unregistered offering pursuant to Rule 144A and Regulation S under the Securities Act of 1933.

Please see Note 11 “Financing” for a discussion about the covenants requirements related to our long-term debt, on our 2019 Form 10-K.

Members of the Board of Directors

AT DECEMBER 31, 2019

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 member of our Board of Directors since November 1999. He has been Chairman of the Board of Directors, President and Chief Executive Officer of Grupo Mexico, S.A.B. de C.V. (“Grupo Mexico”) (holding) since 1994. Mr. Larrea has been Chairman of the Board of Directors and Chief Executive Officer of Grupo Ferrovial Mexicano, S.A. de C.V. (railroad company) since 1997. Mr. Larrea was previously Executive Vice Chairman of Grupo Mexico and has been member of the Board of Directors since 1981. He is also Chairman of the Board of Directors and Chief Executive Officer of Empresarios Industriales de Mexico, S.A. de C.V. (“EIM”) (holding) and Fondo Inmobiliario (real estate company), since 1992.

Mr. Larrea presides over every Board meeting and since 1999 has been contributing to the Company his education, his leadership skills, industry knowledge, strategic vision, informed judgment and over 20 years of business experience, especially in the mining sector. As Chairman and Chief Executive Officer of Grupo Mexico, of Grupo Ferrovial Mexicano, S.A. de C.V. and of EIM, a holding company engaged in a variety of business, including mining, construction, railways, real estate, and drilling, he brings to the Company a valuable mix of business experience in different industries.

Oscar Gonzalez Rocha, Director. Mr. Gonzalez Rocha has been our President since December 1999 and our President and Chief Executive Officer since October 21, 2004. He has been a director of the Company since November 1999. Mr. Gonzalez Rocha has been Chief Executive Officer and director of Asarco LLC (integrated US copper producer), an affiliate of the Company, since August 2010 and President and Chief Executive Officer of Americas Mining Corporation (“AMC”) a holding company of Grupo Mexico, since 2015. Previously, he was the Company’s President and General Director and Chief Operating Officer from December 1999 to October 20, 2004. Mr. Gonzalez Rocha has been a director of Grupo Mexico since 2002. He was General Director of Mexicana de Cobre, S.A. de C.V. from 1986 to 1999 and of Buenavista del Cobre, S.A. de C.V. (formerly Mexicana de Cananea, S.A. de C.V.) from 1990 to 1999. He was an alternate director of Grupo Mexico from 1998 to April 2002. Mr. Gonzalez Rocha is a civil engineer with a degree from the Autonomous National University of Mexico (“UNAM”) in Mexico City, Mexico.

Mr. Gonzalez Rocha is a civil engineer by profession and a businessman with over 40 years of experience in the mining industry. He has been associated with our Mexican operations since 1976. His contributions to the Company include his professional skills, his leadership, an open mind and a willingness to listen to different opinions. Mr. Gonzalez Rocha has proven his ability to deal with crises to lessen negative impacts to the Company. His devotion of time to the Company and his hands-on management of the operations in Mexico and Peru contribute to his effective leadership of the Company. Mr. Gonzalez Rocha has been recognized as Copper Man of the Year 2015 and was inducted into the American Mining Hall of Fame in December 2016 in Tucson, Arizona and into the Mexican Mining Hall of Fame in October 2017 in Guadalajara, Mexico.

Vicente Ariztegui Andreve, Independent Director. Mr. Ariztegui Andreve has been a director of the Company since April 25, 2018. Mr. Ariztegui Andreve is Managing Director and Chairman of Aonia Holding, a wholly owned private investment firm he founded in 1989. Aonia has made investments in the following industries: gold mining, global commodity trading, retailing (e.g. duty free shops), infrastructure (e.g. airport terminal operation), asset management and real estate. During the last seven years, Mr. Ariztegui has been actively selling and buying stakes in non-public companies, including Pallium Trading (fish meal) and MK Metal Trading (copper, zinc, lead, gold and silver concentrates). He also sold Aonia's equity stake in Fumisa and Aerodom, airport terminal operating companies in Mexico City and in the Dominican Republic, respectively.

In 2013, Mr. Ariztegui Andreve made inroads in the financial asset management business by acquiring a stake in InverCap, the fifth largest pension fund manager in Mexico, which he sold in April 2017. Mr. Ariztegui Andreve worked as a Corporate Banker and Vice President of international operations and trade finance for Citibank in New York and Mexico City for eight years (1979-1987). Mr. Ariztegui Andreve co-founded and was President and Chief Executive Officer of MK Metal Trading, a global based metal and mineral (copper, zinc, lead, gold and silver concentrates) trading company start-up for 18 years (1994-2012). MK Metal Trading was sold in 2012.

Mr. Ariztegui Andreve currently sits on the boards of several non-public companies, including InverCap Holding (financial assets management), Reim (real estate mid-size residential development), Alvamex (international storage and logistics). He also is a director of the University Club, in Mexico. Previously, he was director of Dufry AG (leading global retail and airport duty free operator), Latin American Airport Holdings (airport infrastructure and terminal operator), Satelites Mexicanos (SATMEX) (telecommunications), Banco Mexicano, Grupo Financiero Inverlat (financial services) and Minera Santa Gertrudis (mining). During the last five years, Mr. Ariztegui did not serve as a director of any US public company. Mr. Ariztegui Andreve received a Master in Business Administration degree from the Wharton School of Business and Finance and a Master in Systems Engineering degree from the University of Pennsylvania.

Mr. Ariztegui Andreve brings to the Company his vast experience in the financial, mining and commercial sectors. He also adds to the Board of Directors his leadership experience and expertise attained through his participation as a director of other companies.

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

Mr. Casar Perez has been associated with Grupo Mexico or its affiliated companies in different executive positions for more than 21 years. He contributes to the Company his background in engineering and economics, his extensive business experience, his high performance standards, leadership and mature confidence. As Chief Executive Officer of Ferrocarril Mexicano, S.A. de C.V., Mr. Casar Perez contributes to the Company a unique experience and ability to address challenging issues and propose creative solutions.

Enrique Castillo Sanchez Mejorada, Director. Mr. Castillo Sanchez Mejorada has been a director of the Company since July 26, 2010 and is our fifth independent director nominee. From May 2013, Mr. Castillo Sanchez Mejorada has been Senior Partner of Ventura Capital Privado, S.A. de C.V. (Mexican financial company), and, since October 2013, 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 Sanchez Mejorada was a senior advisor at Grupo Financiero Banorte, S.A.B. de C.V. ("GFNorte") a financial holding institution that controls a bank, a broker dealer and other financial institutions in Mexico. From October 2000 to March 2011, Mr. Castillo Sanchez 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 on April 2011. In addition, from March 2007 to March 2009, Mr. Castillo Sanchez Mejorada was the President of the Mexican Banking Association (Asociacion de Bancos de Mexico).

Currently, Mr. Castillo Sanchez Mejorada is Chairman of the Board of Banco Nacional de Mexico, S.A. (Citibanamex), one of the largest banks in Mexico and Member of the Board of Grupo Financiero Citibanamex where he serves as a member of Practices Committee and Audit Committee. He serves as an independent director on the Board 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, has been a member of the audit committee too (iii) Medica Sur, S.A.B. de C.V., a Mexico-based company engaged in the hospital business, (iv) UNIFIN Financiera, S.A.B de C.V. , an independent leasing company, (v) Laboratorios Sanfer S.A.B. de C.V. is one of the leading companies in the Mexican pharmaceutical market. He is also a Senior Advisor for General Atlantic in Mexico, a private equity firm based out of New York. From April 2012 to April 2016, Mr. Castillo Sanchez Mejorada served as a member of the Board of Directors of Organizacion 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. Mr. Castillo Sanchez Mejorada holds a Bachelor's degree in Business Administration from the Anahuac University, in Mexico City, Mexico.

Mr. Castillo Sanchez Mejorada became a member of our Audit Committee on April 18, 2013. Mr. Castillo Sanchez Mejorada brings to the Company more than 40 years of experience in the financial sector. He also adds to the Board of Directors his leadership experience and expertise attained through his participation as an independent director of other companies.

From April 1999 to 2015, he was a member of the Board of Directors of the Mexican Stock Exchange. From 2001 to 2016, he served as a member of the Board of the Instituto Tecnológico Autónomo de México (ITAM) and from April 2008 to 2016, he served as a member of the Board of Fresnillo PLC (Mexican-based mining company). From April 1995 to July 2015, he served as President of the Board of a Mexican Brokerage House and Valmex Leasing Company (Mexican leasing company).

Additionally, from April 1995 to July 2015, Mr. Mac Gregor Anciola served on the Boards of Grupo Nacional Provincial, S.A.B. (Mexican insurance company), Grupo Palacio de Hierro, S.A.B. (Mexican department stores), Industrias Peñoles, S.A.B. (Mexican mining company), Credito Afianzador, S.A. (Mexican financing company), Minera Tizapa, S.A. de C.V. (Mexican mining company), Minera Penmont, S.A. de C.V. (Mexican mining company), Profuturo G.N.P., S.A. de C.V., Afore, Profuturo GNP Pensiones, S.A. de C.V. (Mexican insurance and pension holding company) and Vice President of the MexDer (Mexican derivatives exchange). Mr. Mac Gregor Anciola holds the recognition of the Professional Merit Award from ITAM. Mr. Mac Gregor Anciola holds a degree in Business Administration from the Instituto Tecnológico Autónomo de México in Mexico City and he attended the Stanford University Executive program in Palo Alto, California.

Mr. Mac Gregor Anciola brings to the Company more than 30 years of experience in the financial sector. He also adds to the Board of Directors his leadership experience and expertise attained through his participation as a director of the Mexican Stock Exchange and as an independent director of various other companies.

Luis Miguel Palomino Bonilla, Special Independent Director. Dr. Palomino has been a director of the Company since March 19, 2004. Dr. Palomino is a member of the Board of Directors and Vice-chairman of the Central Bank of Peru (Banco Central de Reserva del Peru) since September 2016, a director of the Master's in Finance Program at the University of the Pacific in Lima, Peru since July 2009, a member of the Board of Directors of Laboratorios Portugal (personal care products manufacturer) since September 2017, and a member of the Board of Directors of Summa Capital, S. A. (corporate consulting firm) since April 2014. Dr. Palomino was Chairman of the Board of Directors of Aventura Plaza, S.A. (commercial real estate developer and operator) from January 2008 to June 2016, member of the Board of Directors and Manager of the Peruvian Economic Institute (economic think tank) from April 2009 to August 2016, Partner of Profit Consultoria e Inversiones (a financial consulting firm) from July 2007 to July 2016, and a member of the Board of Directors and Chairman of the Audit Committee of the Bolsa de Valores de Lima (Lima Stock Exchange) from March 2013 to July 2016.

Dr. Palomino was Principal and Senior Consultant of Proconsulta International (financial consulting) from September 2003 to June 2007. 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.

Dr. Palomino is a member of our Audit Committee and a special independent director nominee. He is also our “audit committee financial expert,” as the term is defined by the SEC. Dr. Palomino contributes to the Company his education in economics and finance, acquired from extensive academic studies, including a PhD in Finance from the Wharton School of the University of Pennsylvania in Philadelphia, Pennsylvania, his expertise, his wise counsel, and his extensive business experience gained from his past and current activities from serving as a financial analyst, including of the mining sectors in Mexico and Peru.

Gilberto Perezalonso Cifuentes, Special Independent Director. Mr. Perezalonso has been a director of the Company since June 2002. Currently, Mr. Perezalonso is a member of the Board of Directors of Gigante, S.A. de C.V. (retail and real estate) and Blasky (hotel chain in Baja California, Mexico). He is also National Vice President of the Cruz Roja Mexicana (Red Cross). 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 Aeromexico (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. (retail and department stores), the most recent position being that of General Director of Administration and Finance.

He was also a member of the Advisory Council of Banco Nacional de Mexico, 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 Siefore Banamex No. 1 (banking), Masnegocio Co. S. de R.L. de C.V. (information technology), Intellego (technology), Telefonica Moviles Mexico, S.A. de C.V. (wireless communication), Marhnos Construction Company (housing construction), and Fomento de Investigacion y Cultura Superior, A.C. (Foundation of the Iberoamerican University in Mexico). Mr. Perezalonso was also a director of Cablevision, S.A. de C.V., 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.

Mr. Perezalonso is a member of our Audit Committee and a special independent director nominee. Mr. Perezalonso contributes to the Company his legal and financial education acquired from extensive academic studies, including a Master's degree in Business Administration from INCAE in Nicaragua, and his business experience acquired serving in the financial areas of several companies and as Chief Executive Officer of different companies. Mr. Perezalonso also brings to the Board of Directors his informed judgment and his diversified business experience gained from serving on the Board of Directors of different Mexican companies.

Carlos Ruiz Sacristan, Special Independent Director. Mr. Ruiz Sacristan has been a director of the Company since February 12, 2004. Since November 2001, he has been the owner and Managing Partner of Proyectos Estrategicos Integrales, a Mexican investment banking firm specialized in agricultural, transport, tourism, and housing projects. Mr. Ruiz Sacristan has held various distinguished positions in the Mexican government, the most recent being that of Secretary of 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 Sacristan is Chairman of the board of directors and Chief Executive Officer of Sempra's Energy North America Infrastructure Group since September 2018. Prior to this appointment, Mr. Ruiz Sacristan was Chairman and Chief Executive Officer of IEnova, the Mexican operating subsidiary of Sempra Energy from 2012 to 2018 and a member of the Board of Directors of Sempra Energy from 2007 to 2012. Mr. Ruiz Sacristan remains as Chairman of IEnova.

He is a member of the Board of Directors of Constructora y Perforadora Latina, S.A. de C.V. (Mexican geothermal exploration and drilling company) and of Banco Ve Por Mas, S.A. (Mexican bank). Mr. Ruiz Sacristan holds a Bachelor's degree in Business Administration from the Anahuac University in Mexico City, Mexico, and a Master's degree in Business Administration from Northwestern University in Chicago, Illinois.

Mr. Ruiz Sacristan is one of our special independent director nominees. Mr. Ruiz Sacristan contributes to the Company his extensive business studies, including a Master's Degree in Business Administration from Northwestern University in Chicago, Illinois, his investment banking experience and his broad business experience as a former Chief Executive Officer of PEMEX (Mexican oil company), combined with his distinguished career in the Mexican government as a former Secretary of Communications and Transport of Mexico and as a director of Mexican-owned enterprises and financial institutions.

Mr. Ruiz Sacristan also brings to the Board of Directors his informed judgment and his diversified business experience gained from serving on the Board of Directors and of the audit, and environmental and technology committees of Sempra Energy, a Fortune 500 energy service company, based in San Diego, California, as the former Chairman of Asarco LLC, and as the Chief Executive Officer of IEnova.

Executive Officers

German Larrea Mota-Velasco

Chairman of the Board of Directors

Oscar Gonzalez Rocha

President and Chief Executive Officer

Raul Jacob Ruisanchez

Vice President, Finance Treasurer and Chief Financial Officer

Edgard Corrales Aguilar

Vice President, Exploration

Jorge Lazalde Psihas

Secretary

Andres Ferrero Ghislieri

General Counsel

Lina Vingerhoets Vilca

Comptroller

Raul Vaca Castro

General Auditor

Controlled Companies- Affinity and Inbreeding

A company with more than 50% of the voting power held by a one single entity is a “controlled company”, and do not need to comply with the Corporate Governance requirements of the New York Stock Exchange (“NYSE”) which requires 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 88.9% of the stock of the Company, as of December 31, 2019. 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 Carlos Ruiz Sacristan, 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. Additionally, Messrs. Emilio Carrillo Gamboa, Enrique Castillo Sanchez Mejorada and Rafael Mac Gregor Anciola are our fourth, fifth and sixth independent directors.

At its meeting on February 20, 2020, the Board of Directors determined that Messrs. Luis Miguel Palomino Bonilla, Gilberto Perezalonso Cifuentes, Carlos Ruiz Sacristan, Emilio Carrillo Gamboa, Enrique Castillo Sanchez Mejorada and Rafael Mac Gregor Anciola continue to be 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 the Securities and Exchange Commission (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 independent Board members and one nominated by the Board and it has the exclusive authority to propose and evaluate individuals who are proposed as special independent 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 of SCC, 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 for employees that are US citizens or residents. The Named Fiduciary controls and manages 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, with delegated authority, 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 0.18%.

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, July 24, 2020 at 9:00 A.M., Mexico City time. In the event that the annual meeting does not take place on such date, it will be held on September 24, 2020 at 9:00 am at the same address.

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 C.P. 15038 Peru Phone: +(511) 512-0440 Ext. 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 Computershare. For more information, contact Computershare at phone +1(866) 230-0172.

Members of the Board of Directors

German Larrea Mota-Velasco

Oscar Gonzalez Rocha

Vicente Ariztegui Andrave

Alfredo Casar Perez

Enrique Castillo Sanchez Mejorada

Xavier Garcia de Quevedo Topete

Rafael Mac Gregor Anciola

Luis Miguel Palomino Bonilla

Gilberto Perezalonso Cifuentes

Carlos Ruiz Sacristan

Audit Committee

Luis Miguel Palomino Bonilla, Chairman

Gilberto Perezalonso Cifuentes

Enrique Castillo Sanchez Mejorada

Southern Copper Corporation

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