You should carefully consider all of the information in this prospectus including the risks and uncertainties described below and the Accountant's Report included in Appendix I, before making an investment in our Shares. You should pay particular attention to the fact that we conduct our operations in Peru, the legal and regulatory environment of which may differ in some respects from that which prevails in other countries. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The trading price of our Shares could decline due to any of these risks, and you may lose all or part of your investment.

We believe that there are certain risks involved in our operations, some of which are beyond our control. These risks can be broadly categorized into: (i) risks relating to our business, (ii) risks relating to our industry; (iii) risks relating to doing business in Peru; and (iv) risks relating to the Global Offering. Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that are presently deemed immaterial, could also harm our business, financial condition and operating results.

RISKS RELATING TO OUR BUSINESS

We may not be able to identify or pursue suitable acquisition opportunities of mining projects and mineral production assets and we may not be able to fully realize the desired benefits from any mining projects or mineral assets that we acquire.

Part of our future growth strategy calls for the acquisitions of additional mineral resources and projects. We may not be able to identify or pursue suitable acquisition opportunities for a variety of reasons, including the intense competition for mines and mineral production assets. Our inability to identify or pursue suitable acquisition opportunities may materially and adversely affect our competitiveness and growth prospects. In seeking and pursuing acquisition opportunities, we expect to benefit from our relationship with Chinalco. However, there can be no assurance that we will benefit from our relationship with Chinalco to the extent that we expect. Moreover, in the event we are able to successfully complete an acquisition, we may face difficulties in integrating the acquired assets into our operations or we may fail to achieve the desired strategic purposes or results of the acquisition. Any such difficulty or failure may result in disruptions to our preexisting business or unforeseen expenses or capital commitments, which in turn may materially and adversely affect our business, results of operations, financial condition and prospects.

We may not commence commercial production at the Toromocho Project as planned, our capital expenditure for the Toromocho Project may exceed our current estimates, and the Toromocho Project may not achieve the predicted economic results or commercial viability.

We intend to develop the Toromocho Project based on the geological, engineering, environmental and mine planning evaluations set forth in our feasibility study, basic engineering report, definitive estimate report and detailed engineering report, which were completed in 2007, 2009, 2011 and 2012, respectively. According to the Competent Person's Report, we believe that we will be able to complete the construction of all the mining and processing facilities by the fourth quarter of 2013, commence production by the fourth quarter of 2013 and reach full production capacity in the third quarter of 2014. We currently estimate that the total capital and operating expenditure for the development of the Toromocho Project will amount to approximately US$3.5 billion. In 2009, 2010, 2011 and the nine months ended September 30, 2012, our capital expenditures paid in connection with the Toromocho Project amounted to US$142.4 million, US$372.9 million, US$712.0 million and US$771.5 million, respectively. As of September 30, 2012, we had incurred approximately US$2.0 billion of capital and operating expenditure for the development of the Toromocho Project.

However, there can be no assurance that we will be able to adhere to our current development and production schedule or that our estimates of the required capital and operating expenditure will prove accurate. Our development plans may be adversely affected by a variety of factors, such as a failure to obtain necessary approvals or funding, technical or construction difficulties and other factors that are beyond our control, any of which may also require unforeseen capital expenditures. Going forward, we face particular risks with respect to (i) exceeding our current estimated expenses, including for the resettlement of Morococha and (ii) delays in the completion and start-up of our molybdenum hydrometallurgical plant considering the nature of the process and equipment utilized and the history of similar operations in the industry. Furthermore, the Toromocho Project is subject to design and technical risks and may not operate as expected upon completion. For example, its tailing system design is based on relatively new technology which does not have an extensive track record. As a result, there can be no assurance that our tailing system will have sufficient capacity over the long term. If our tailing system's capacity is exceeded, we will need to seek for alternative, which might result in an increase in our expenditure and disruption of our mining activities. Even if we are able to complete the construction of the Toromocho Project's mining and processing facilities without delay and according to our capital expenditure estimates, production may be delayed or restricted due to design or technical issues and we may incur unforeseen capital expenditures following the completion of the construction of its mining and processing facilities. Unforeseen development costs, decreased output and/or higher operating costs due to design or technical issues may make the Toromocho Project less profitable than currently expected or not profitable at all. Any delays in the Toromocho Project's timetable or unforeseen capital expenditures may materially and adversely affect our business, results of operations, financial condition and prospects as may design or technical issues arising after the completion of the construction of the mining and processing facilities.

We expect to depend on the Toromocho Project, which is still under development, for substantially all of our revenue and cash flows for the foreseeable future.

We will rely on the Toromocho Project, currently our only mining asset, for substantially all of our revenue and cash flows for the foreseeable future. If we fail to derive the expected economic benefits from the Toromocho Project due to delays or difficulties encountered in its development or production, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Failure to achieve our production estimates could have a material adverse effect on our future cash flow, results of operations and financial condition.

Estimates of the future production of our mining operations are subject to assumptions and uncertainties. Therefore, there can be no assurance that we will achieve our production estimates. The production estimates are based on, among other things, reserves estimates, assumptions regarding ground conditions and the metallurgical characteristics of ore reserves, estimated rates and costs of production. Actual production may vary from our estimates for a variety of reasons, including risks and hazards of the types discussed elsewhere in this prospectus, and as set out below:

- the actual ore mined varying from estimates in grade, tonnage, and metallurgical and other characteristics;
- lower than estimated recovery rate;
- mining dilution or losses;
- industrial accidents;
- technical difficulties, such as equipment or machinery failures;
- natural phenomena, such as inclement weather conditions, floods, blizzards, droughts, rock slides and earthquakes;
- unusual or unforeseen geological conditions;
- changes in power costs or power shortages;
- failure to secure adequate means of transport for our products;
- failure to obtain necessary supplies for operation, including explosives, diesel fuel, equipment parts and lubricants;
- labor strikes;
- litigation; and
- restrictions or changes in the regulatory or political environment.

Potential results of these occurrences include damage to our mining properties or the properties of others, interruptions in production, injury or death, monetary losses and legal liabilities. Due to any of these factors, the production at the Toromocho Project may not achieve the current production estimates, which could have a material and adverse effect on our business, financial condition, results of operations and prospects. Moreover, we may face similar difficulties in reaching our production estimates for projects acquired in the future and our failure to achieve those estimates may also materially and adversely affect our business, financial condition, results of operations and prospects.

The estimates of our reserves and mineral grades are based on a number of assumptions, and we may have fewer reserves than currently estimated.

Our reserves estimates are based on a number of assumptions that have been made by Behre Dolbear in accordance with the JORC Code. See "Appendix IV — Competent Person's Report" in this prospectus for further details. The accuracy of these estimates depends on various factors, such as the accuracy of the data provided by us, the quality of the results of exploration drilling, the analysis of samples of copper and other non-ferrous metals, the procedures adopted and the knowledge and experience of the technical experts making the estimates. In particular, Behre Dolbear did not independently verify the accuracy and completeness of the data provided by us. It also relied on the work of the technical consultants engaged by us in its preparation of the Competent Person's Report. The inclusion of reserves estimates should not be regarded as a representation that all these amounts can be economically exploited and nothing contained in this prospectus (including, without limitation, the estimates of mine lives) should be interpreted as assurance of the economic lives of our reserves and resources or the profitability of our future operations.

The interpretations and deductions on which our reserves estimates have been based may prove to be inaccurate and the actual mineral content of the Toromocho Project may differ from those predicted based upon past drilling, sampling and similar examinations, which may force us to alter our mining plans. Additionally, variation between the predicated metallurgical quality of the reserves and that of the actual reserves, may require us to make adjustments to our processing plans. Any adjustments to our mining or processing plans as a result of any variation between our estimates and the Toromocho Project's actual reserves could materially and adversely affect our business, financial condition, results of operations and prospects.

Disputes about the construction permit of the new town of Morococha may result in the delay of our resettlement process or materially and adversely impact our financial condition.

In 2010 and 2011, the local government of Morococha ordered us to cease the construction work for the new town and the provincial government of Yauli-La Oroya denied our application for the construction permit of the new town of Morococha. We filed a constitutional claim and a judicial claim against the local government of Morococha and a judicial claim against the provincial government of Yauli-La Oroya. These claims are currently pending, and we have obtained a preliminary relief which allows us to perform the construction work and the resettlement process. We completed the construction work for the new town in the third quarter of 2012. We intend to substantially complete the resettlement process and relocate all the residents who have signed the resettlement agreement by the first quarter of 2013 and further negotiate with the remaining residents in order to complete the resettlement. However, if these claims are ultimately resolved against us, we may have to cease the resettlement process and apply for a new construction permit, which may delay the resettlement process. While the completion of the resettlement is not a condition precedent to the commercial production at the Toromocho Project, there can be no assurance that the resettlement process and our production schedule will not be delayed. If our production schedule is delayed, our business, results of operations and financial condition may be materially and adversely affected. Furthermore, if we obtained unfavorable results for these claims, the local government may vacate the residents and demolish the buildings. If the government wishes to demolish the new town that has been completed, it will first have to negotiate with the residents to form a new resettlement plan. Due to the serious social and political issues that would result, the local governments in Peru, to our knowledge, have never ordered to vacate the people in its own jurisdiction and demolish a new town that has been completed. However, there can be no assurance that the local government will not vacate the residents and demolish the new town that has been completed. If these events occur, we may be required to bear the cost of an alternative resettlement plan initiated by the government, which may materially and adversely impact our financial condition.

The additional requirement imposed by the Mining Council may delay the approval process of our mining plan permit, which may result in a delay in our production schedule.

In December 2010, the Mining Council of the MEM issued a resolution approving the EIA and imposing additional requirement for the mining plan permit. Such requirement is not required by law and we have filed a constitutional claim and a judicial claim against such resolution. Previously, we secured a preliminary injunction that suspended the additional requirement. However, as the injunction has been overturned on appeal, the MEM can request us to conduct the assessment before issuing the mining plan permit. While the MEM has not initiated or requested the assessment as of the Latest Practicable Date, and we have engaged a third party consultant to conduct the assessment and obtained a favorable conclusion, there can be no assurance that our application process of the mining plan permit and production schedule will not be delayed. If our production schedule is delayed, our business, results of operations and financial condition may be materially and adversely affected.

Challenge on the Mining Council's resolution may result in delay or suspension of our production, which may have a material adverse impact on our business, results of operations and financial condition.

In 2011, the local government of Morococha filed a judicial claim with the district court for the nullification of the Mining Council's resolution that approves the EIA. The claim was filed in a period when the local government was precluded from challenging the Mining Council's resolution. As a result, as advised by Rebaza, Alcázar & De Las Casas Abogados Financieros, our Peruvian legal advisor, we believe that such claim will be dismissed on the procedural ground. While the local government of Morococha had not refiled the claim as of the Latest Practicable Date, there can be no assurance that it will not challenge the resolution again in the future. If a claim is filed outside the restriction period again and the Supreme Court of Peru nullifies the Mining Council's resolution, we will operate in irregularity and pending MEM's further action. In its own discretion, the MEM may order us to continue our construction or mining operation under a provisional regime or cease our construction or mining operation, or take other measures as it sees fit. There can be no assurance that the MEM would not order us to cease our construction or mining operation. If we are ordered to cease our construction or mining operation, our production schedule may be delayed or production activities may be suspended, which in turn would result in financial loss and material adverse effect on our business, results of operations and financial condition.

Due to our limited operating history, there may not be an adequate basis for you to evaluate our future operating results and prospects.

We are currently primarily engaged in mine plant and infrastructure construction at the Toromocho Project and have not commenced production or sales of our products. As the Toromocho Project is at a pre-production stage, we have a limited track record that has included substantial net losses and operating cash outflows. Accordingly, you should not rely on results of operations as an indicator of our future operating results and prospects. You should consider our business and prospects in light of the risks, uncertainties, expenses and challenges that we will face as an early-stage company. In 2009, 2010, 2011 and the nine months ended September 30, 2012, we recorded losses for the year or period of US$4.7 million, US$7.5 million, US$16.5 million and US$13.2 million, respectively. Should we continue to experience deficits in the future or have our cash reserves depleted, our business, financial condition and prospects may be materially and adversely affected.

The operating costs, the cashflow and other economic and financial estimates of the Toromocho Project and other economic analysis in the Competent Person's Report may be different from the actual results and are based on a number of factors beyond our control.

The estimates regarding the operating costs, the cashflow and other economic and financial estimates of the Toromocho Project and other economic analysis included in the Competent Person's Report are based upon, among other things, (i) the anticipated tonnage, grades and metallurgical characteristics of the ores to be mined and processed; (ii) the anticipated recovery rates of minerals from the ores; (iii) the treatment and refining costs for the copper concentrates; (iv) the operating costs of comparable facilities and equipment; and (v) the anticipated geographic and climatic conditions. If any of those factors changes or any of the assumptions is inaccurate, the Toromocho Project's actual operating costs may significantly exceed our estimates, the operating costs, the cash flow and other economic and financial estimates and the economic analysis in the Competent Person's Report may be different from the actual results, and the mining operation at the Toromocho Project may not be profitable. This could have a material and adverse effect on our business, financial condition, results of operations and prospects.

If the copper concentrates we produce contain high level of penalty elements and insol, our business and results of operation could be materially and adversely affected.

High level of penalty elements such as zinc and arsenic, and insol such as silica, may result in penalties from the smelters who purchase our copper concentrates. Based on our understanding of the prevailing rate at smelters, smelters will view the zinc percentage above 3.0% and insol percentages above 10% as threshold for penalties. According to the Competent Person's Report, the copper concentrates we produce are estimated to contain approximately 9% of zinc and 9% of insol. Such impurity penalties will be deducted from the payment for metal content from the smelters. Based on the Competent Person's Report, the copper concentrates we produce are expected to be subject to an average zinc penalty deduction at US$1.00 per 1.0% above the 4.0% threshold, or US$5.00 per tonne of copper concentrates throughout the operating life of the mine. When calculating the zinc penalty, the penalty threshold was not taken into account. We believe this is a more conservative estimation compared to the prevailing market value. As we plan to stockpile arsenic-bearing ores separately, we believe the arsenic values in the copper concentrates being below penalty limits. We plan to decrease the level of insol in the molybdenum we produce through the hydrometallurgical/pressure oxidation circuit that we plan to install. We believe that the level of insoluble will be below the penalty level. The high zinc issue is to be handled by blending on each of the production phases in the pit to minimize the amount of activated and mechanically locked sphalerite that will carry into the copper concentrate. However, if the blending process does not reduce the quantities of zinc in the feed, the resulting amount of zinc in the copper concentrates may trigger penalties from the smelter. If the level of zinc and insol exceeds the estimated level, our products may be sold at a lower price and become less marketable, which in turn will have a material and adverse effect on our business and results of operations.

Our failure to obtain, renew, extend or maintain required government approvals, permits, licenses and authorizations for our exploration, construction and mining activities or renewals thereof could materially and adversely affect our business and results of operations.

Under relevant Peruvian laws and regulations, we are required to obtain certain government approvals, permits, licenses and authorizations for the Toromocho Project. While we received approval of the EIA in connection with all the material aspects of the Toromocho Project in December 2010 and the construction permit for the Toromocho Project in July 2011, there can be no assurance that we will obtain other required approvals, permits, licenses and authorizations in a timely manner in the future or at all. In particular, we have not obtained the mining plan approval, which is necessary for us to commence production at the Toromocho Project. We are in the process of applying the mining plan approval with a valid term of seven years, and plan to apply for a mining plan approval covering the whole mine life later. There can be no assurance that we will obtain the mining plan approval in time. Any failure or delay in obtaining, renewing or extending, or any failure to maintain, any required governmental approvals, permits, licenses or authorizations, or any ambiguity in the scope of the required governmental approvals, permits, licenses or authorizations, including the EIA approval, our construction permit and the mining plan permit, could subject us to a variety of administrative penalties or other government actions that delay or stop our development of the Toromocho Project or its production, which, in turn, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We do not insure against all risks to which we may be subject and the insurance coverage for the risks against which we are insured may prove inadequate.

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological conditions, pit slope stability issues, fire, floods, earthquakes and other disasters as well as political and social instability. These risks can result in, among other things, damage to and destruction of mine properties or production facilities, personal injury, environmental damage, delays in mining and production, monetary losses and liability.

We have maintained insurance within certain ranges of coverage which we believe to be consistent with industry practice in Peru, such as coverage of certain contract work, third party liability, delays in the development of the Toromocho Project, comprehensive political violence, and physical damage to marine cargo. However, in line with what we believe to be industry practice in Peru, we have elected not to insure against certain other risks as a result of high premiums or other reasons or have agreed to policy limits on certain coverages. For further information on insurance, see “Our Business — Insurance” in this prospectus.

Moreover, there can be no assurance that we will be able to maintain our current insurance coverage at economically reasonable premiums or at all in the future, or that any coverage we obtain will be adequate and available to cover the extent of any claims against us. In the event that we suffer a significant liability for which we are not insured or our insurance coverage is inadequate to cover the entire liability, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We depend on our senior management team to conduct our business and the loss of members of our senior management team may disrupt our business.

Our success depends largely upon the continued service of our senior management team, many of whom would be difficult to replace. In particular, our mining operation and future growth depends on Dr. Peng Huaisheng (彭懷生), our chief executive officer and Mr. Huang Shanfu (黃善富), our vice president. We do not carry key person insurance on any member of our senior management team. If we lose the services of a substantial number of key members of our management team, it would be difficult to find and integrate replacement personnel, which could materially and adversely affect our business.

We face risks relating to the transportation of our products to customers.

We anticipate that a substantial portion of our production from the Toromocho Project will be exported to the PRC. Therefore, our mining operations are anticipated to be highly dependent on road and rail services in Peru and, to a lesser extent, in the PRC. There may be insufficient highway or rail infrastructure in Peru to transport our products to the Callao port for export or we may otherwise experience problems in relation to these transportation systems. Moreover, the Callao port may not have sufficient capacity to process shipments of our products or may be affected by disruptions, such as those caused by bad weather, strikes or labor disputes, the inability of shipping vessels to access the port, political disruptions or natural disasters. Uncertainty regarding transportation infrastructure may affect the pricing terms on which we can sell copper concentrates and other non-ferrous metals and the willingness of potential customers to purchase copper concentrates and other non-ferrous metals from us, which may materially and adversely affect our business, financial condition, results of operations and prospects, as may any inability to transport products to our customers.

Furthermore, there can be no assurance that the cost of transporting our products to customers will not increase. Any increase in the cost of transporting our products to customers, whether due to problems with the relevant transportation networks or to increased fuel and other costs, may affect our competitiveness with other non-ferrous metal producers. In particular, increases in transportation costs may impair our ability to compete against non-ferrous metal producers in the PRC. Any increase in the cost of transporting our products to customers may materially and adversely affect our business, financial condition, results of operations and prospects.

Our reliance on infrastructure provided or operated by third-parties exposes us to a variety of risks.

The development and operation of the Toromocho Project depends upon the availability, capacity, reliability and security of the infrastructure owned and/or operated by third parties, including among others, transportation, power and warehousing at the Callao port. We have entered into long-term contracts with certain of the third party suppliers; however, there can be no assurance that they will perform under these contracts. Additionally, there can be no assurance that we will be able to, or continue to, purchase these infrastructure services from third-party suppliers on commercially acceptable terms or at all. In addition, we rely on third-party suppliers for the operation, quality, maintenance and improvement of the infrastructure to meet our requirements as our project proceeds. If these third-party suppliers are unable or unwilling to supply or upgrade their services, we may experience interruptions in the development or operation of the Toromocho Project or increases in costs in seeking alternative services.

Our results of operations are subject, to a significant extent, to economic, political and legal developments in the PRC.

We expect that a majority of the sales of copper concentrates and other non-ferrous metals from our project will be made to customers based in the PRC. Accordingly, the economic, political and social conditions, as well as government policies, of the PRC may affect our business. The PRC economy differs from the economies of most developed countries in many respects, including but not limited to: (i) structure; (ii) level of government involvement; (iii) level of development; (iv) growth rate; (v) control of foreign exchange; and (vi) allocation of resources. The PRC economy has been transitioning from a planned economy to a more market-oriented economy. For the past three decades, the PRC government has implemented economic reform measures emphasizing the utilization of market forces in the development of the PRC economy. Changes in the PRC's political, economic and social conditions, laws, regulations and policies could materially and adversely affect our business and results of operations.

Changes and uncertainties in the PRC legal system could have a material adverse effect on us.

Our Controlling Shareholder, Chinalco, is a PRC state-owned enterprise, and most of our Directors are located in the PRC. In addition, we expect to sell a substantial portion of our products to smelters in China. Therefore, our corporate structure and our operations are generally subject to the PRC laws and regulations applicable to, among others, state-owned entities, securities, outbound investment and the copper smelting industry. The PRC legal system is generally based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protections available to us. In addition, any litigation in China may be protracted and result in substantial costs and diversion of resources and management attention.

Our project is located near known earthquake fault zones and the occurrence of an earthquake or other catastrophic disaster could cause damage to our project which could require us to cease or curtail operations.

Substantially all of our operations are located in Peru, including the Toromocho Project. Our operations in Peru are located in or near known earthquake fault zones. Peru has experienced severe earthquakes in the past which have caused damage to buildings and infrastructure and have interrupted commerce. Most recently, in 2007, a 7.5 degree Richter scale earthquake occurred in the coastal area of Peru near the department of Ica. Accordingly, there can be no assurance that earthquakes or other disasters will not occur that will affect our operations in Peru, either directly or by damaging the infrastructure on which we will rely to deliver our products to our customers. Examples of other types of disasters that may occur include fires and flooding. We have purchased insurance against certain types of damage caused by earthquakes and other natural disasters, and have designed our processing facilities based on appropriate earthquake standard applicable to the area. However, there can be no assurance that the insurance coverage will prove sufficient to reimburse us for any losses suffered as a result of such disasters. If any such disasters occur and our insurance coverage is insufficient, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We may encounter operational difficulties and other risks by operating our business in a high altitude environment.

The Toromocho Project is located in a mountainous area in Peru, which is more than 4,000 meters above sea level. The high altitude may expose us to various operational difficulties, including difficulties related to the health and working efficiency of our employees and our contractors and the operational efficiency of our machinery and equipment. Should we encounter any such operational difficulties, our production may be restricted, delayed or curtailed and our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may not be able to obtain sufficient financing to fund the expansion and development of our business.

We are in a capital-intensive industry and have relied on a mixture of equity capital and debt financing to fund our acquisition, exploration and development activities related to the Toromocho Project. We have in the past funded our capital expenditures primarily by funds from COH, the issuance of equity and debt securities and through credit facilities. Following the commercial production of the Toromocho Project, we expect to use cash generated from our operations, together with net proceeds from the Global Offering and further financing, if required, to meet our business growth objectives, including future acquisitions, further development of our existing exploration, mining and processing operations and development of new properties. However, there can be no assurance that we will be able to obtain sufficient funding or obtain funding at all when it is required or that such additional funding will be available on commercially acceptable terms, particularly in light of current global financial condition. Continued disruptions in the global capital and credit markets as a result of uncertainty, changing or increased regulation of financial institutions, reduced alternatives or the failure of any significant financial institution could adversely affect our access to liquidity. If any such additional funding is obtained, it may be on terms that are highly dilutive or otherwise adverse to our existing Shareholders. Our failure to obtain additional funding or to obtain additional funding on commercially acceptable terms when needed could have a material and adverse effect on our business, financial condition, results of operations and prospects.

We recorded negative operating cash flow in 2009, 2010, 2011 and the nine months ended September 30, 2012. There can be no assurance that we will record positive operating cash flow in the future.

We recorded negative cash flow from our operating activities of US$10.5 million, US$7.0 million, US$22.8 million and US$38.6 million in 2009, 2010, 2011 and the nine months ended September 30, 2012, respectively. In addition, we recorded net current liabilities of US$145.5 million, US$0.4 million, US$60.7 million and US$119.8 million as of December 31, 2009, 2010 and 2011 and September 30, 2012, respectively. As we have not commenced production, we did not have any revenues during the Track Record Period and our operating activities did not generate any cash flow. There can be no assurance that we will generate sufficient cash flow from our operations in the future. If we are unable to finance our operations continuously by funds generated by operating activities or otherwise, our results of operations and financial position could be materially and adversely affected. See "Financial Information — Liquidity and Capital Resources — Operating Activities" for further details.

We had incurred a high level of indebtedness, which may result in significant interest expenses and risks relating to the conditions and restrictive covenants imposed on us by our financing agreements.

During the Track Record Period, we had a high level of indebtedness, which in total amounted to US$2.1 billion as of November 30, 2012. Such indebtedness may result in significant interest expenses, which may materially and adversely affect our results of operation. We plan to continue to incur additional significant debt to fund our development and operations and to pursue our future plans. Currently, we are in the process of negotiating additional credit facilities with an aggregate amount of US$239.0 million with China Development Bank and additional credit facilities with an aggregate amount of US$419.0 million with Eximbank. Both China Development Bank and Eximbank have issued memorandum to indicate their present commitment to provide the financing. We may also make further drawdowns under our existing credit facility. Our ability to meet regularly scheduled interest and principal payments on our indebtedness will depend on our future operating performance and cash flow, which in turn will depend on prevailing economic and political conditions and other factors, many of which may be beyond our control. Furthermore, debt financing makes us more vulnerable to changing foreign exchange rates and interest rates. It may also require us to use a portion of our cash generated from operations for the repayment of our indebtedness, which could reduce the cash that would otherwise be available for our working capital needs, capital expenditures, acquisitions and other general requirements and restrict our flexibility to respond to changing business, regulatory and economic conditions.

In addition, our financing agreements include various conditions and covenants that require us to obtain lenders' consents prior to carrying out certain activities and entering into certain transactions. For example, under the loan agreement between Chinalco Peru and Eximbank, Chinalco Peru is required to obtain Eximbank's written consent prior to carrying out certain activities and entering into certain transactions, including (i) arranging any guarantee, mortgage, pledge or other encumbrance in favor of any person; (ii) any merger; (iii) any spin-off; (iv) any equity transfer; (v) making investments; (vi) materially increasing our debt financing; (vii) decreasing Chinalco Peru's registered capital; and (viii) amending Chinalco Peru's articles of association. Chinalco Peru is also prohibited by the loan agreement from changing the purpose of the loan and utilizing the loan to invest in the capital market or real property market. Our Directors confirm that we have complied with this loan agreement in all material aspects, and were not involved in any dispute associated with the performance of such loan agreement as of the Latest Practicable Date and during the Track Record Period. In addition, we may be required to comply with similar or even more restrictive covenants or other terms under any new loan or other financing agreement. Moreover, pursuant to the loan agreement between Chinalco Peru and Eximbank, Chinalco Peru is forbidden from distributing dividends to its shareholders in any form if there is any principal, interest or other sum thereunder which is unpaid after becoming due and payable. As a result of such terms and the restrictive covenants of existing loans or other financing agreements, or any such agreements into which we may enter in the future, our ability to pay dividends or make other distributions on the Shares may be limited. See "Financial Information — Dividend Policy" for certain specific restrictions or other conditions on our ability to distribute dividends. We may also be significantly restricted in our ability to raise additional capital through bank borrowings and debt and equity issuances or to engage in some transactions that we expect to be of benefit to us. Our inability to meet these conditions and covenants or to obtain lender's consent to carry out certain activities could materially and adversely affect our business, financial condition, results of operations and prospects.

The resettlement process of the town of Morococha may delay our production schedule.

We plan to relocate the residents of the town of Morococha to a new town before we commence production at the Toromocho Project. The construction of the new town was completed in the third quarter of 2012. The town of Morococha is located inside the footprint of the ultimate pit and also at the foot of the mountain where mining will commence. Currently, there are approximately 3,200 residents in the town. Based on our current mining plan, our mining operation would not affect the town of Morococha until seven years after we commence production. In response to the issue, we have developed a resettlement plan that meets relevant regulatory requirements and satisfactory to the community. We intend to substantially complete the resettlement process and relocate all the residents who have signed the resettlement agreement by the first quarter of 2013 and further negotiate with the remaining residents in order to complete the resettlement. See "Our Business — Corporate Social Responsibility — Community Relations and Resettlement Plan." While our resettlement plan has been accepted by a majority of the population via a referendum, there can be no assurance that our resettlement plan will be implemented without any resistance from the local community. If there is any resistance from the local community, potential protests may occur, which may in turn result in a delay of our development plan and production schedule.

We face risks from our reliance on third-party contractors.

We have outsourced all of our exploration engineering work and most of the Toromocho Project construction work to third-party contractors. For example, we have engaged Aker Solutions to provide the EPCM services for the Toromocho Project. We may also outsource other work to third-party contractors. Our contractors may take actions contrary to our instructions or requests, or be unable or unwilling to fulfill their obligations. In such event, we may have disputes with our contractors, which could lead to additional expenses, distractions for our management, delay in the commencement of production, and loss of production time, any of which could materially and adversely affect our business and results of operations.

In addition, under the relevant Peruvian laws and regulations, an owner of mining concessions has a statutory obligation to ensure safe production and assume all safety related costs. In the event of any construction or production safety-related accident involving a contractor, we may be held directly liable or liable for compensation to the extent of such contractor's fault, regardless of any contractual provisions to the contrary. Any such liabilities could have a material and adverse effect on our financial condition and results of operations.

Foreign currency fluctuations may affect our expenses and any future earnings.

We are exposed to foreign exchange fluctuations with respect to the New Peruvian Sol, the Euro and the US dollar. Our financial results are reported in US dollars. Our loans provided by Eximbank and COH are denominated in US dollars. While we recorded net foreign exchange gains on financing activities of US$1.3 million, US$1.4 million and US$1.6 million in 2009, 2010 and the nine months ended September 30, 2012, respectively, we recorded net foreign exchange loss on financing activities of US$0.9 million in 2011. We pay the salaries for local laborers in Peru in New Peruvian Sol. Procurement of certain services and equipment for our exploration, development and operational activities has been, and will in the future continue to be, settled in Euros and New Peruvian Sol. Sales of copper concentrates and other non-ferrous metals into the PRC may be settled in US dollars or in RMB. Furthermore, acquisitions of mining assets in the future may be settled in Euros, New Peruvian Sol, US dollars or other currencies. As a result, our financial position and results of operations are impacted and will continue to be impacted by the exchange rate fluctuations between the aforementioned currencies and any significant fluctuations may materially and adversely affect our business, financial condition, results of operations and prospects.

The interests of our Controlling Shareholder, COH, and ultimate beneficial owner, Chinalco, may differ from those of our other Shareholders.

Chinalco, through its direct and indirect subsidiaries, engages in a variety of businesses in China and other countries. In particular, other than the Group, the subsidiaries and associates of Chinalco engage in the exploration and mining of copper outside the PRC. While Chinalco has provided a non-competition undertaking in our favor to maintain a clear delineation of our respective businesses going forward, the listed subsidiaries of Chinalco are not subject to this undertaking. In particular, they may conduct future expansion outside of China and may potentially compete with us. See "Relationship with Controlling Shareholders — Our current business and the business of Chinalco" for more details. The interests of Chinalco and COH may conflict with the interests of our other Shareholders, and there can be no assurance that COH will vote its Shares in a way that will benefit our minority Shareholders. COH and Chinalco may, for business considerations or otherwise, cause us to take actions, or refrain from taking actions, in order to benefit themselves or their other affiliates instead of our interests or the interests of our other Shareholders and which may be harmful to our interests or the interests of our other Shareholders. Accordingly, unless applicable laws or regulations require approval by our minority Shareholders, COH may:

- control our policies, management and affairs;
- subject to applicable laws, regulations and the Articles, adopt amendments to certain provisions of the Articles; and
- otherwise determine the outcome of most corporate actions, including a change in control, merger or sale of all or substantially all of our assets.

We believe that third parties may be discouraged from making a tender offer or bid to acquire us because of this concentration of ownership. For further information on the ownership of the Shares, see the section titled "Share Capital" in this prospectus.

Chinalco's investment and operations in certain countries that are subject to international economic sanctions may harm our reputation.

Chinalco and its affiliates have in the past and may choose to undertake in the future, without our involvement, investments and operations outside of China, including in countries that are on the sanction list published and administrated by the Office of Foreign Assets Control (the "**OFAC**") within the United States Department of Treasury or subject to other international economic sanctions. There can be no assurance that Chinalco and its affiliates will not be subject to any sanction due to their past and future investments and operations in these countries. If Chinalco or its affiliates were sanctioned, we may suffer reputational harm, which may in turn have a material adverse effect on the market price of our Share.

Facts and statistics from government official publications in this prospectus relating to the Chinese and Peruvian economies and the copper industry in China and Peru may be inaccurate.

Some of the facts and official statistics in this prospectus relating to the PRC and Peru, the economy of the PRC and Peru and the copper industry and related industry sectors in China and Peru are derived from various government official publications that we believe to be reliable. However, there can be no assurance as to the accuracy or reliability of such source materials. Such facts and official statistics from government official publications have not been independently verified by us, the Underwriters or any of their or our affiliates or advisors and, therefore, we make no representation as to the accuracy of such facts and official statistics, which may not be consistent with other information compiled within or outside the PRC or Peru. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the government official publications in this prospectus relating to the Chinese and Peruvian economy and the copper industry and related industry sectors in China and Peru may be inaccurate or may not be comparable to government official publication produced for other economies and should not be unduly relied upon. Further, there can be no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other countries. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or statistics.

RISKS RELATING TO OUR INDUSTRY

Fluctuations in the market prices of copper and other non-ferrous metals that we may produce from time to time could materially and adversely affect our business, financial condition, results of operations and prospects.

We expect to derive substantially all of our revenue in the foreseeable future from sales of copper concentrates (with silver as metal credit) and by-products including molybdenum. Therefore, the market price of our Shares, our ability to raise additional financing and maintain ongoing operations, our financial condition, the profitability and the viability of the Toromocho Project and our future projects and our results of operations will be directly affected by the price of such products.

Historically, the market prices for copper and other non-ferrous metals have fluctuated widely and experienced periods of significant decline. For example, copper prices plunged to a four-year low of approximately US$4,000 per tonne in December 2008 but recovered and reached historically high levels above US$10,000 per tonne in February 2011. Their prices are influenced by numerous factors and events which are beyond our control, such as world demand and supply, forward selling activities, abnormal or severe weather conditions, costs of production by other producers, and macro-economic factors, such as expectations regarding inflation, interest rates, currency exchange rates, as well as general global economic conditions and political trends. The combined effects of any or all of these factors and events on the prices or volumes of copper and other non-ferrous metals are impossible to predict. If their market prices should fall due to these and other factors and events, our business, financial condition, results of operations, prospects and the price of our Shares could be materially and adversely affected. In particular, we have incurred substantial indebtedness in connection with the development of the Toromocho Project, including loans from COH, Eximbank and China Development Bank. If the market price of copper and other non-ferrous metals fall significantly, the operations of the Toromocho Project may not generate sufficient revenues to fund the repayment of our bank borrowings, and there can be no assurance that we will be able to obtain additional financing to bring the Toromocho Project to production or to meet our development and production goals.

In addition, an increase in the supply of copper and other non-ferrous metals in the global market may also contribute to a decrease in the market price of copper and other non-ferrous metals, which may lead us to lower our prices, decrease our sales, and ultimately may result in a material adverse impact on our business, financial condition and results of operations.

Competition in the copper mining industry may hinder our development plans and adversely affect sales of our products if we are not able to compete effectively.

Continued growth in mining and mineral exploration activities in Peru could create an increasing demand for mining equipment, related services and human resources. Shortages of, or higher costs for, equipment, services and skilled and experienced labor could restrict our ability to carry out our development and production activities, increase our costs of operations and adversely affect our future plans.

While the Toromocho Project is located in Peru, we intend to sell our products globally, particularly in China. We believe that competition in the global copper mining industry is based on many factors, including, among others, price, production capacity, mineral quality and characteristics, transportation capability and costs, blending capability and brand name. Some of our international competitors may have greater production capacity as well as greater financial, marketing, distribution and other resources than we do. As a result, they may be able to devote greater resources to the promotion, development and sale of their products than we can. In addition, we may also compete with other companies that have access to the same end markets as we do and compete for mining equipment and related services and in their recruitment and retention of qualified employees and consultants. Our future success will depend on our ability to respond in an effective and timely manner to competitive pressure. In particular, China is the largest copper consuming country in the world and we intend to sell a majority of our products into the PRC. The PRC copper market is highly fragmented. Some of the PRC copper suppliers may have lower transportation costs than we do due to their location and other various factors.

Our prospects depend on our ability to attract, retain and train qualified employees.

Recruiting, retaining and training qualified employees is critical to our success. We depend on the skills and efforts of our key managerial, technical and other qualified employees. As our business activity grows, we will require additional key financial, administrative, mining, marketing and public relations employees as well as additional operations staff. In particular, we compete with other mining companies for qualified employees and miners in Peru, where the competition for such employees and miners is intense. There can be no assurance that the qualified employees we have or will recruit in the future will continue to provide services to us or will honor the agreed terms and conditions of their employment contracts. If we are not successful in attracting qualified employees, or retaining existing employees, our business and results of operations could be materially and adversely affected. In addition, our ability to train our employees, in particular, on-site operating and maintenance personnel, is a key factor for the success of our business. If we are not successful in training such personnel, our business and results of operations could be materially and adversely affected.

Labor disputes and disruptions could adversely affect our business, results of operations, financial condition and prospects.

Once we commence production, our mining operation will rely on a large number of miners and operation personnel. Other international mining companies have experienced problems from labor disputes and there can be no assurance that we will not experience the same. For example, in October 2011, the miners at the Cerro Verde Mine in the Arequipa region of Peru, which is principally owned by Freeport-McMoRan Copper & Gold Inc., began a strike, which resulted in decrease in output and financial loss for Freeport-McMoRan Copper & Gold Inc. Moreover, in connection with an acquisition of assets from Austria Duvaz, we were subject to 46 claims from the former employees of Austria Duvaz alleging failure to pay social benefits. The claimants asserted that we were liable for Austria Duvaz's failure to make social benefit payment. According to the labor law of in Peru, the acquirer of mining assets should assume the labor obligations of the former owner of the mining assets. In aggregate, we were exposed to monetary claim of approximately US$300,000. As of September 30, 2012, we have obtained definitive favorable results for 15 of the claims while the other 31 claims are pending final resolution. As advised by Rebaza, Alcázar & De Las Casas Abogados Financieros, our Peruvian legal advisor, we are in compliance with the applicable labor laws. Therefore, we believe that the likelihood of losing the 26 pending claims is remote and we have not included these claims in the provision for legal contingencies. However, there can be no assurance that we will not be subject to labor disputes in the future. Going forward, if there is any labor dispute, strike or disruptions, our mining and processing operations may be interrupted, and our business, results of operations and financial condition may be materially and adversely affected.

We may not be able to maintain an adequate and timely supply of electricity, water, auxiliary materials, equipment, spare parts and other critical supplies at reasonable prices or at all.

Cost effective development and operations of the Toromocho Project depend, among other things, on the adequate and timely supply of electricity, water, auxiliary materials, equipment, spare parts and other critical supplies. Electricity and water are the main utilities used in our exploration, construction and mining activities. For further information on electricity and water supplies at the Toromocho Project, see "Our Business — Our Exploration and Development Operations — Infrastructure — Power/Water." While there are readily-available supplies of electricity and water for the Toromocho Project, there can be no assurance that there will be no interruptions or shortages of electricity or water supplies in the future. Any such shortages or interruptions could materially and adversely affect our production and production safety systems, including our water pumping, which could materially and adversely affect our business and financial condition. Any increase in the cost related to our supplies of electricity or water could also materially and adversely affect our financial condition and results of operations. In particular, the electricity costs in Peru have risen steadily from 1998 to 2010.

Major auxiliary materials, equipment and spare parts used in our construction and production include explosives, diesel fuel, blast hole drills, cable shovels, wheel loaders and haul trucks. We source our auxiliary materials and our equipment from suppliers in the PRC and other countries. If our supplies of auxiliary materials, equipment or spare parts are interrupted or their prices increase, or our existing suppliers cease to supply to us on acceptable terms, our business, financial condition and results of operations could be materially and adversely affected.

We will obtain the majority of the water we use for our operations pursuant to licenses granted for an unlimited period by the Peruvian Water Management Authority to exploit our own wells, which are generally granted based on studies of the existing and projected water supply. We expect to obtain the water license after we completed the construction of the facilities where the water will be used.

Water rights, including licenses, may be terminated by governmental authorities or courts under certain circumstances. According to the Peruvian Water Law, the primary causes for termination of water licenses and/or authorizations for water use are: (i) the failure to efficiently use the water for the purposes and under the terms and conditions foreseen in the corresponding licenses and/or authorizations, (ii) the failure to pay the corresponding fees to the government under such licenses and/or authorizations and (iii) the failure to use the water infrastructure under proper maintenance standards.

In the case of the electricity supply, the prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, supply interruptions, equipment damage, worldwide price levels and market conditions. In recent years, the price of oil, gas and electricity has risen dramatically due to a variety of factors. Disruptions in energy supply or increases in costs of energy resources or increases of other production costs could have a material adverse effect on our financial condition and results of operations.

Health, safety and environmental laws and other regulations may increase our costs of doing business, restrict our operations, or result in the application of fines, revocation of permits or shutdown of our facilities.

Our exploration, exploitation and processing activities are or will be subject to a number of Peruvian laws and regulations, including relating to health, safety and environmental protection, as well as certain industry standards.

We are required to comply with occupational health, safety and environmental laws and regulations in Peru where our operations are subject to periodic inspections by the relevant governmental authorities. These laws and regulations govern, among others, work place conditions, use of safety equipment, workers insurance coverage, and the handling, storage and disposal of hazardous substances. Compliance with these laws and regulations and new or existing regulations that may be applicable to us in the future could increase our operating costs and adversely affect our financial results of operations and cash flows.

We could also be found liable for all incidental damages due to the exposure of individuals to hazardous substances or other environmental damage. We cannot assure you that our costs of complying with current health, safety and environmental laws and regulations, and any liabilities arising from past or future releases of, or exposure to, hazardous substances will not materially and adversely affect our business, financial condition and results of operations.

Our mining operation is subject to risks related to workplace safety, including personal injury, death and legal liability.

Our mining operation is subject to risks related to workplace safety, including damage to, or destruction of, mining equipment and processing facilities, and could also result in personal injury, death, performance delays, monetary losses and legal liability. There were two accidents in the construction site of the Toromocho Project, each resulted in the death of one employee of our contractors. In August 2010, an employee of Calls & Nicholson, one of our contractors, died while he was collecting samples and taking measurements in a 4-meter-deep pit in the construction site as a result of a landslide. We were found liable for this accident by an administrative resolution against which we appealed. If we lose the pending appeal, we will be liable for a fine of up to approximately US$140,000. In April 2011, an employee of Mantto, one of our contractors, was hit by a heavy plate and subsequently died when unloading cement at the new town construction site. We were not found liable for that accident. In response to these accidents, we have taken various remedial actions to enhance our safety control and our supervision over the contractors' safety control. For example, we engaged a third party to provide safety training to our on-site employees to improve their awareness and skills of workplace safety. We and our contractors delineated the safety-related responsibilities that each party must take. We engaged a third party to provide professional medical emergency aid to the employees of contractors who are injured on the construction site. Furthermore, we required our on-site representatives to monitor the contractors' operations more closely. Despite these measures, minesite construction, mining and mineral processing and transportation are inherently dangerous activities and there can be no assurance that serious accidents or fatalities would not occur in the future. If we fail to prevent serious accidents or fatalities, we will be held liable for damages arising out thereof or in connection thereof and we may be ineligible to participate in the bidding process on certain mining projects. In addition, such accidents or fatalities could have a negative effect on our reputation and our relationship with local community. Any of the foregoing could have a material adverse effect on our results of operations, business, financial condition and prospects.

We face risks relating to delays and increased production costs and liability from environmental hazards, industrial accidents and other factors such as severe weather conditions, natural disasters, community protests and civil unrest.

Our mining business, in particular, the commissioning and operating of our mining and processing facilities, may be disrupted by a variety of risks and hazards, including environmental hazards, industrial accidents (including but not limited to mishandling of dangerous articles such as explosives and toxic materials), technical or mechanical failures, processing deficiencies, labor disputes, community protests or civil unrest, unusual or unexpected geological occurrences, severe seismic activity, flooding, fire, explosions and other delays. In November 2011, violent community protests for environmental issues took place around the Minas Congas Project, a mining project located approximately 1,000 kilometers north of the Toromocho Project in northern Peru which is principally owned by Newmont Mining Corporation. The protests have resulted in severe social unrest and the government authority has commenced an independent review before the project can continue. The occurrence of any of these risks, hazards and protests could result in damage to or destruction of production facilities, personal injury, environmental damage, business interruption, delay in production, increased production costs, monetary losses and possible legal liability (including compensatory claims, fines and penalties), which could materially and adversely affect our business, financial condition, results of operations and prospects. In particular, although we have established a water treatment plant to treat acid wastewater from mining operations in the vicinity, we will be subject to claims for damages if we release contaminated wastewater from our operations and cause environmental harm.

The operations of the Toromocho Project involve substantial environmental risks and are subject to laws and regulations relating to the environment and reclamation in Peru. The risk of environmental liability is inherent in the operation of our business. Claims may be asserted against us arising out of our operations in the normal course of business, including claims relating to land use, safety, health and environmental matters. We may also be subject to actions by environmental protection groups or other interested parties who object to the actual or perceived environmental impact of the Toromocho Project or other actual or perceived condition at the Toromocho Project. These claims and actions may delay or halt production or may create negative publicity related to the Toromocho Project, which could materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, we are subject to certain statutory reclamation requirements. See "Laws and Regulations Relating to the Industry — Regulatory Matters Regarding the Environment — Mining Closure Law." The Toromocho Project contains a finite amount of recoverable resources and will eventually close. The EIA included conceptual plans for the closure of the major mine, plant and supporting facilities of our project, such as the open pit, waste rock dumps, processing plant, infrastructure, and tailings impoundment. In addition, we filed a detailed closure plan with the MEM in December 2011. The successful execution of these closure plans is dependent on various factors which are beyond our control, such as unforeseen environmental changes, our financial capacity and the grant of governmental approvals. If desired reclamation and closure outcomes cannot be achieved, the consequences of a difficult closure range from increased closure costs, fines and handover delays to ongoing environmental impacts and corporate reputation damage, which could materially and adversely affect our business and results of operations.

Our resources will decrease after we commence production. Failure to discover or develop new reserves, maintain or enhance existing reserves, develop new operations or expand our current operations could materially and adversely affect our business and results of operations.

Our resources will decline after we commence production. The Toromocho Project has an estimated mine life of 32 years and a projected operating life of 36 years. Our future growth and long-term success of our mining operations will depend on our ability to extend the life of our existing mining operations, to discover additional and maintain existing resources and to convert such resources into economically viable reserves, including: (i) whether ore bodies can be located; (ii) whether the location of ore bodies are economically viable to mine; (iii) whether appropriate metallurgical processes can be developed and appropriate mining and processing facilities can be economically constructed; and (iv) whether necessary governmental permits, licenses and consents can be obtained.

In order to maintain copper and other non-ferrous metal production beyond the life of the current proved and probable ore reserves, we must identify further reserves capable of economical exploitation. However, due to the unpredictable and speculative nature of our industry, there is no assurance that any exploration program will result in the discovery of valuable resources. If a valuable resource is discovered, it could take several years and require significant capital expenditure to complete the initial phases of exploration and construction before production commences, and during this period, the capital cost and economic feasibility may change. There is also no assurance that reported resources can be converted into reserves. Furthermore, actual results upon production may differ from those anticipated at the time of discovery.

To access additional reserves in explored areas, we will need to successfully complete additional development projects, including extending existing mine and developing new mines. We typically conduct feasibility studies to determine whether to undertake significant construction projects. Actual results may differ significantly from those anticipated by our feasibility studies. In addition, there are a number of uncertainties inherent in the development and construction of any new mine or an extension to an existing mine, including: (i) the availability and timing of necessary governmental approvals; (ii) the timing and cost necessary to construct mining and processing facilities; (iii) the availability and cost of labor, utilities, auxiliary materials and other supplies and the accessibility of transportation and other infrastructure; and (iv) the availability of funds to finance construction and production activities.

Accordingly, there is no assurance that any future exploration activities or development projects will extend the life of our mining operations or result in any new economical mining operations. Furthermore, mineral exploration and development involves substantial expenses and a high degree of risk, which may not be sufficiently mitigated through any combination of experience, knowledge and careful evaluation. In addition, exploration expenses are not capitalized until the commercial production is commenced. Increased exploration activities will increase our operation costs and may adversely impact our margin, financial condition and results of operation.

RISKS RELATING TO DOING BUSINESS IN PERU

Changes in Peruvian tax laws may increase our tax burden.

The Peruvian government has implemented changes to its tax regime that may increase our tax burden. Furthermore, the Peruvian government frequently implements changes to its tax regimes and may make changes in the future that increase our tax burden.

In particular, the Peruvian legislature promulgated Law 29663 (the "**Capital Gains Tax Law**") pursuant to which a capital gains tax has been imposed on indirect transfers of equity interests in Peruvian companies by foreign entities or nationals, and the Peruvian company whose equity interest is being transferred is jointly and severally liable for such tax liability. In particular, if any of our shareholders sells 10% or more of our Shares in aggregate in any 12-month period, there might be an indirect transfer that is subject to the capital gains tax. The Capital Gains Tax Law was enacted in 2011 and no statutory interpretation or implementation measures have been issued with respect thereto. As advised by Rebaza, Alcázar & De Las Casas Abogados Financieros, our Peruvian legal advisor, there are reasonable grounds to believe that Chinalco Peru would not be jointly and severally liable for the payment of the capital gains tax due to the Stability Agreement. See "Laws and Regulations Relating to the Industry — Summary of Peruvian Laws and Regulations Regarding Taxation — Tax in Peru on capital gains realized on transfers of our Shares" for further details. However, if we are held jointly and severally liable for such tax liability, our overall tax burden will increase, which may have a material and adverse effect on our business, financial condition, results of operations and prospects.

Environmental regulations have become increasingly stringent in Peru over the last decade and we have been required to dedicate more time and money to compliance and remediation activities. We expect additional laws and regulations will be enacted over time with respect to environmental matters.

Environmental laws and regulations imposing environmental obligations on the mining industry have been enacted in Peru in the last decade. Additionally, future changes to environmental laws and regulations could increase the extent of investment and work required to be performed by us in order to comply with environmental obligations, including, but not limited to, those related to reclamation and remediation. Any such increases in future costs could materially impact the amounts charged to operations in this regard.

Regulatory and industry response to climate change, restrictions, caps, taxes, or other controls on emissions of greenhouse gasses, including on emissions from the combustion of carbon-based fuels, controls on effluents and restrictions on the use of certain substances or materials could significantly increase our operating costs. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. These regulatory initiatives will be either voluntary or mandatory and may impact our operations directly or through our suppliers or customers.

The potential impact of climate change on our operations is highly uncertain, and would be particular to the geographic circumstances of our facilities and operations. It may include changes in rainfall patterns, water shortages, changing sea levels, changing storm patterns and intensities, and changing temperatures. These effects may materially and adversely impact the cost, production and financial performance of our operations.

The development of more stringent environmental protection programs in Peru, international conventions and treaties, trade agreements or generally in the industry could impose constraints and additional costs on our operations and require us to make significant capital expenditures in the future. We cannot assure you that future legislative, regulatory, international law, industry, trade or other developments will not have a material adverse effect on our business, properties, operating results, financial condition or prospects.

We face risks from potential economic and political developments in Peru.

The vast majority of our operations are conducted in Peru. As a result, our business, financial position, results of operations and prospects may be affected by the general condition of the Peruvian economy, and by price instability, inflation, interest rates, banking system, regulation, taxation, social instability, political unrest and other developments in or affecting Peru, over which we have no control. In the past, Peru has experienced periods of weak economic activity and deterioration in economic conditions. If such conditions return it may have a material and adverse effect on our business, financial condition or results of operations.

Our financial condition and results of operations may also be adversely affected by changes in Peru's political climate to the extent that such changes affect the nation's economic policies, growth, stability, outlook, regulatory environment or policies with respect to the mining industry and foreign investment in Peru. Since President Alan García Pérez took office in 2006, he has maintained business-friendly and open-market economic policies that have sustained and fostered economic growth, while controlling the inflation rate at historically low levels. On July 28, 2011, Ollanta Humala took office as President of Peru. It is possible that President Humala and his administration may not continue to pursue business-friendly and open-market economic policies or policies that stimulate economic growth and social stability. Any changes in the Peruvian economy or the Peruvian government's economic policies may have a material and adverse effect on our business, financial condition and results of operations.

We face risks from potential inflation in Peru.

As a result of reforms initiated in the early 1990s, Peruvian inflation has decreased significantly from the triple-digit inflation during the 1980s. Over the five-year period ended on December 31, 2008, the Peruvian economy experienced annual inflation averaging approximately 3.0% per year as measured by the Peruvian Consumer Price Index. This index is calculated by the National Institute of Statistics and Information (*Instituto Nacional de Estadistica e Informática*) and measures variations in prices of a selected group of goods and services that are typically consumed by Peruvian families. Inflation may not remain at these levels. The Peruvian Central Bank establishes annual target inflation rates for each fiscal year and announces this target rate in order to shape market expectations.

If Peru experiences substantial inflation in the future, our costs may increase. Inflationary pressures may also curtail our ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Peruvian economy. Any of these may materially and adversely affect our business, financial condition, results of operations and prospects.

We face risks from the potential implementation of certain laws and regulations by the Peruvian government, such as those restricting exchange rates.

Since 1991, the Peruvian economy has undergone a major transformation, from a highly protected and regulated system to a free-market economy. During this period, protectionist and interventionist laws and policies have been gradually scaled back to create a more liberal economy that is dominated by private sector and market forces. Additionally, exchange controls and restrictions on remittances of profits, dividends and royalties have been removed. Prior to 1991, Peru exercised control over the foreign exchange markets by imposing multiple exchange rates and placing restrictions on the possession and use of foreign currencies. In 1991, the Fujimori administration eliminated all foreign exchange controls and unified exchange rates. Currently, foreign exchange rates are determined by market conditions, with regular operations by the Peruvian Central Bank in the foreign exchange market in order to reduce volatility in the value of Peru's currency against the U.S. dollar. The Peruvian economy, in part due to the changes to its laws and regulations and exchange policies, grew at an average annual rate of over 12.4% from 2001 to 2010.

The Peruvian government may institute restrictive exchange rate policies in the future. Any such restrictive exchange rate policy could affect our ability to engage in foreign exchange activities necessary for our operations, and could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, the Peruvian government may, implement new policies, regulations and laws, in particular those aimed at enhancing environmental protection, resource conservation and community development in Morococha, that may limit our operations in Peru. The enactment of any such laws or the promulgation of any such regulations and policies may have a material adverse effect on our business, financial condition, results of operations and prospects.

The recent market volatility generated by distortions in the international financial markets may affect the Peruvian banking system.

The volatility in the international financial markets may adversely affect the Peruvian banking system as well. The Peruvian banking system has not experienced any significant liquidity problems as a result of the recent international liquidity environment, primarily because the major source of funds for local banks is represented by the deposit base. However, there can be no assurance that future market volatility will not affect the Peruvian banking system or that such volatility will not have an adverse effect on our business, financial condition or results of operations.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our Shares and the liquidity and market price of the Shares may be volatile.

Prior to the Global Offering, no public market for our Shares existed. Following the completion of the Global Offering, the Stock Exchange will be the only market on which our Shares are listed. We cannot assure you that an active public trading market for our Shares will develop or be sustained. In addition, our Shares may be traded in the public market subsequent to the Global Offering below the Offer Price. The Offer Price will be determined by agreement among us and the Joint Global Coordinators, on behalf of the Hong Kong Underwriters and the International Underwriters, and may differ significantly from the market price of our Shares following the completion of the Global Offering. If an active trading market for our Shares does not develop or is not sustained after the Global Offering, the market price and liquidity of our Shares could be materially and adversely affected.

The trading price of our Shares may be volatile, which could result in substantial losses to you.

The trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, China, the United States and elsewhere in the world, as well as unsubstantiated press coverage. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Peru that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Peru-based companies listed in Hong Kong and consequently may impact the trading performance of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenues, earnings and cash flow could cause the market price of our Shares to change substantially. Any of these factors may result in large and sudden changes in the volume and trading price of our Shares.

Lock-up arrangements may affect the liquidity of our Shares and the sale or availability for sale of substantial amounts of our Shares following the expiration of such lock-ups could adversely affect the market price of our Shares.

In connection with the Global Offering, COH and we have agreed, among other things, not to sell our Shares for 180 days after the Listing Date without the written consent of the Joint Global Coordinators. However, the Joint Global Coordinators may release these securities from these restrictions at any time. Please refer to the section titled "Underwriting" of this prospectus for a detailed description of the restrictions that may apply to future sales of our Shares by COH and us. Meanwhile, Cornerstone Investors have agreed to purchase 1,088,370,000 Shares in the Global Offering (assuming an Offer Price of HK$1.72 per Share, being the mid-point of the offer price range) and have agreed to certain lock-up arrangements for those Shares. See "Cornerstone Investors — Restrictions on Disposals by the Cornerstone Investors" for further information. The lock-up of the Shares to be subscribed by the Cornerstone Investors may affect the liquidity of the trading of the Shares on the Stock Exchange while such Shares are locked up and the sale or availability of such Shares following the expiration of such lock-up arrangements may adversely affect the market price of our Shares.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The Offer Price of our Shares is higher than the net tangible assets value per Share immediately prior to the Global Offering. Therefore, purchasers of our Shares in the Global Offering will experience an immediate dilution in pro forma combined net tangible assets value to HK$0.52 per Share, based on the maximum Offer Price of HK$1.91 per Share, assuming that the Over-allotment Option is not exercised.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or securities convertible into Shares in the future. Purchasers of our Shares may experience dilution in the net tangible assets book value per share of their Shares if we issue additional Shares or securities convertible into Shares in the future at a price which is lower than the net tangible assets book value per Share.

You may be subject to Peruvian capital gain tax under certain circumstances.

According to the Peruvian Capital Gains Tax Law, the capital gains obtained from indirect transfers of the capital stock of a Peruvian company are taxed at a 30% tax rate. For such purposes, an indirect transfer is a transfer of shares of a non-Peruvian company which directly or indirectly holds shares of a Peruvian company, and the market value of the capital stock of the Peruvian company accounts for 50% or more of that of the non-Peruvian company. As our main operating subsidiary is a Peruvian company, if you sell 10% or more of our total Shares in aggregate in any 12-month period, this may constitute a taxable event under Peruvian law and you may be liable for capital gains tax in Peru for any gains with respect therefrom. See "Laws and Regulations Relating to the Industry — Summary of Peruvian Laws and Regulations Regarding Taxation — Tax in Peru on capital gains realized on transfers of our Shares." The new Peruvian Capital Gains Tax Law was enacted in 2011 and there is no statutory interpretation or implementation measures with respect thereto. Therefore, the calculation method and the application to transactions conducted in secondary markets are unclear. As such, there can be no assurance that you will not be subject to a 30% tax from such sales of Shares.

You should not rely on any information contained in press articles or other media regarding us and the Global Offering.

Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering, including those in the news reports titled *Chinalco to list Peru copper unit* by The Standard dated May 11, 2012, and similar press coverage by Hong Kong Economical Journal dated May 10, 2012, by Wen Wei Po dated May 11, 2012 and by South China Morning Post dated May 12, 2012, which included certain information about us that does not appear in this prospectus. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any information appearing in any publication is inconsistent or conflicts with the information in this prospectus, we disclaim it. Prospective investors should not rely on any such information and should only rely on information included in this prospectus in making any decision as to whether to purchase the Shares.

It could be difficult for investors to enforce any judgment obtained in Hong Kong against us or any of our associates.

We are a Cayman Islands company and none of our Directors and officers, except for Yat Kwong Fred Lai, is a resident of Hong Kong. A substantial portion of our assets and the assets of our Directors and officers, at any one time, are and may be located in jurisdictions outside of Hong Kong. As such, it may not be possible for the investors to effect service of process within Hong Kong on our Directors and officers who reside outside of Hong Kong. In addition, if a judgment is obtained against us or any Directors and officers in a Hong Kong court, additional requirements may need to be satisfied in order to attempt to enforce the judgment outside of Hong Kong and Hong Kong court orders may not be enforceable in Peru where our mining asset is located. Therefore you may not be able to recover against us or our Directors and officers on judgments of Hong Kong courts predicated upon the laws of Hong Kong.

There will be a time gap of four clear business days between the pricing and trading of our Shares offered in the Global Offering.

The Offer Price will be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until after they are delivered, which is expected to be the fifth Business Day after the Price Determination Date. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares when trading begins could be lower than the Offer Price as a result of adverse market conditions or other adverse developments that may occur between the Price Determination Date and the time when trading begins.

Information in this prospectus regarding future plans reflects current intentions and is subject to change.

Whether we ultimately implement the business plans described in this prospectus, and whether we achieve the objectives described in this prospectus, will depend on a number of factors including, but not limited to: the availability and cost of capital; current and projected prices of copper and other non-ferrous metals; markets for copper and other non-ferrous metals; costs and availability of drilling services, costs and availability of heavy equipment, supplies and personnel; success or failure of activities in similar areas to those in which our projects are situated; and changes in estimates of project completion costs. We will continue to gather information about our projects, and it is possible that additional information will cause us to alter our schedule or determine that a project should not be pursued at all. Accordingly, our plans and objectives may change from those described in this prospectus.