The following is the text of a report in respect of the Target Company, prepared for the purpose of incorporation in this circular, received from the reporting accountant, Deloitte LLP.

30 June 2014

The Directors

MMG Limited

Dear Sirs,

We set out below our report on the financial information of Xstrata Peru S.A. (the "Target Company") for the financial years ended 31 December 2013, 31 December 2012 and 31 December 2011 (the "Relevant Years") for inclusion in a circular ("The Circular") issued by MMG Limited ("MMG") dated 30 June 2014 in connection with, among others, the proposed acquisition of the entire issued share capital of the Target Company being the holding company of Las Bambas S.A.

The Target Company is a Peruvian corporation incorporated in the city of Lima, Peru on August 20, 2004. The Target Company's shareholders are Xstrata South America Limited, domiciled in the Cayman Islands and Xstrata Queensland Limited, domiciled in Australia, which own 99.99% and 0.01% of its share capital, respectively. Those entities are subsidiaries of Glencore plc. ("Glencore") (a company incorporated in Jersey).

The Target Company is an investment holding company. The principal activities of the Target Company and its subsidiaries are the exploration, development, exploitation, prospecting, rendering of services and all mining-related activities, in accordance with the General Mining and General Corporations laws, effective in Peru and in particular the development of the Las Bambas Project being a copper mine in Peru.

To facilitate the disposal of the Las Bambas Project by Glencore, the ultimately holding company of the Target Company, it was determined that the disposal will be effected through the sale of the Target Company. In advance of the disposal, Glencore has undertaken a corporate restructuring by way of Peruvian law "Spin off" to transfer assets of the Target Company which do not relate to the Las Bambas Project to other group companies.

As a consequence, the Target Company's investments in Compania Minera Antapaccay S.A. and Xstrata Copper Servicios Corporativos Peru S.A. (collectively the "Transferred Assets") were transferred to another subsidiary of Glencore.

The financial statements of the Target Company for the financial year end 31 December 2013 were audited by Beltran, Gris y Associados S. Civil de R.L., a member firm of Deloitte Touche Tohmatsu Limited. The financial statements for the financial year's ended 31 December 2012 and 31 December 2011 were audited by Medina, Zaldívar y Asociados S. Civil de R. Ltda., a member firm of Ernst & Young. The financial statements for the Relevant Years are collectively referred to as the "Underlying Financial Statements". These Underlying Financial Statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) ("IFRS") with the exception of the year ended 31 December 2011 which were prepared under Peruvian Generally Accepted Accounting Principles.

The "Financial Information" of the Target Company for the Relevant Years presented in this report has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS).

For the purposes of this report, we have examined the Underlying Financial Statements and carried out procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants.

The Financial Information of the Target Company for the Relevant Years as set out in this report has been prepared on a going concern basis from the Underlying Financial Statements with adjustments made for presentation of the financial information in a manner consistent with the accounting policies and disclosures of MMG.

The Underlying Financial Statements are the responsibility of the directors of the Target Company who approved their issue. The directors of MMG are responsible for the contents of the Circular in which this report is included. It is our responsibility to form an independent opinion on the financial information of the Target Company and to report our opinion to you.

In our opinion, the Financial Information, for the purpose of this report and on the basis of presentation set out below, fairly presents the state of affairs of the Target Company as at 31 December 2013, 31 December 2012 and 31 December 2011 and of the results and cash flows of the Target Company for the Relevant Years.

BALANCE SHEET
AS AT 31 DECEMBER 2013, 2012 AND 2011

	Notes	31/12/2013 US$000	31/12/2012 US$000	31/12/2011 US$000
Assets				
Non-current assets				
Property, plant and equipment		—	—	631
Investment in subsidiaries	8	1,319,299	2,060,494	756,494
		1,319,299	2,060,494	757,125
Current assets				
Other receivables		—	527	824
Amounts due from subsidiaries	7	—	—	1,864
Current income tax assets	6	811	386	—
Cash and cash equivalents	5	108	823	4,234
		919	1,736	6,922
Total assets		1,320,218	2,062,230	764,047
Equity				
Capital and reserves				
Share capital	10	1,320,110	1,594,041	294,041
Reserves and retained profits	10	(1)	444,439	444,702
Total equity		1,320,109	2,038,480	738,743
Liabilities				
Non-current liabilities				
Non-current other accounts payable	11	—	—	23,148
Current liabilities				
Trade and other payables		—	—	384
Current income tax liabilities		—	—	646
Provisions		109	—	1,126
Other accounts payable	11	—	23,750	—
		109	23,750	2,156
Total liabilities		109	23,750	25,304
Total equity and liabilities		1,320,218	2,062,230	764,047
Net current assets/(liabilities)		810	(22,014)	4,766
Total assets less current liabilities		1,320,109	2,038,480	761,891

INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2013,2012 AND 2011

	31/12/2013	**31/12/2012**	**31/12/2011**
	US$000	*US$000*	*US$000*
Revenue	—	602	17,900
Dividend income	99,063	—	—
Expenses (excluding depreciation, amortisation and impairment expenses)	(527)	(333)	(18,185)
EBITDA	98,536	269	(285)
Depreciation, amortisation and impairment expenses	—	(159)	(224)
EBIT	98,536	110	(509)
Finance income	6	174	461
Finance costs	(1,259)	(738)	(27)
Profit (loss) before income tax	97,283	(454)	(75)
Income tax (expense) income	(3)	191	(1,586)
Profit (loss) for the year	97,280	(263)	(1,661)
Other comprehensive income	—	—	—
Total comprehensive income (loss) for the year	97,280	(263)	(1,661)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

	Issued capital	Legal reserve	Retained earnings	Total
	US$000	*US$000*	*US$000*	*US$000*
		Note 10		
At 1 January 2011	294,041	44,636	401,727	740,404
Loss and total comprehensive loss for the year	—	—	(1,661)	(1,661)
At 31 December 2011	294,041	44,636	400,066	738,743
Issue of shares	1,300,000	—	—	1,300,000
Loss and total comprehensive loss for the year	—	—	(263)	(263)
At 31 December 2012	1,594,041	44,636	399,803	2,038,480
Dividends distribution (Note 10c)	—	—	(99,062)	(99,062)
Capitalisation of retained earnings (Note 10a)	399,803	—	(399,803)	—
Capitalisation of legal reserve (Note 10b)	44,636	(44,636)	—	—
Capital reduction (Note 9)	(718,370)	—	—	(718,370)
Gain on transfer of assets to shareholder (Note 9)	—	—	1,781	1,781
Profit and total comprehensive income for the year	—	—	97,280	97,280
At 31 December 2013	1,320,110	—	(1)	1,320,109

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

	Notes	31/12/2013 US$000	31/12/2012 US$000	31/12/2011 US$000
Cash flows from operating activities				
Cash flows from operations		94	(781)	(473)
(Payment) receipt of taxes		(515)	(386)	3,225
Net cash (used in) generated from operating activities		(421)	(1,167)	2,752
Cash flows from investing activities				
Purchase of property, plant and equipment		—	—	(48)
Capital contributions to subsidiaries	8	—	(1,300,000)	—
Proceeds from disposal of property, plant and equipment		—	592	92
Net cash (used in) generated from investing activities		—	(1,299,408)	44
Cash flows from financing activities				
Loan to related party	7	—	(7,400)	(5,300)
Proceeds from issue of shares	10a	—	1,300,000	—
Proceeds from repayments of loan to a related party		—	4,400	4,300
Repayments of related party borrowings		—	—	(1,523)
Dividends received		99,063	—	—
Dividends paid	10c	(99,062)	—	—
Interest received		—	164	(362)
Cash transfer during corporate restructure	9	(295)	—	—
Net cash (used in) generated from financing activities		(294)	1,297,164	(2,885)
Net decrease in cash and cash equivalents		(715)	(3,411)	(89)
Cash and cash equivalents at 1 January		823	4,234	4,323
Cash and cash equivalents at 31 December	5	108	823	4,234

NOTES TO THE FINANCIAL INFORMATION FOR THE YEARS ENDED 31 DECEMBER 2013, 2012 AND 2011

1. INCORPORATION, ECONOMIC ACTIVITY OF THE TARGET COMPANY

(a) **Incorporation**

The Target Company is a Peruvian corporation incorporated in the city of Lima on 20 August 2004. The Target Company's shareholders are Xstrata South America Limited, domiciled in the Cayman Islands and Xstrata Queensland Limited, domiciled in Australia, which have 99.99% and 0.01% of its share capital, respectively. Those entities are subsidiaries of Glencore (a company incorporated in Jersey). The legal address of the Target Company is Pasaje Los Delfines 159, Santiago de Surco, Lima, Peru.

(b) **Economic activity**

The Target Company is an investment holding company. The principal activities of the Target Company and its subsidiaries are the exploration, development, exploitation, prospecting, rendering of services and all mining-related activities, in accordance with the General Mining and General Corporations laws, effective in Peru and in particular the development of the Las Bambas Project in Peru.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (HKFRS)

New HKFRS and interpretations issued applicable after the date of presentation of the financial information

The following standards and interpretations have been published for periods beginning after the date of presentation of this financial information. The Target Company has not early adopted these standards and amendments and is in the process of assessing their impact on the Target Company's results and financial position:

Standard	Effective for annual periods beginning on or after
Amendments to HKFRS 10, HKFRS 12 and HKAS 27: Investment Entities	1 January 2014
Amendments to HKFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to HKAS 16 and HKAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to HKAS 19: Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to HKFRS 9 and HKFRS 7: Mandatory Effective Date of HKFRS 9 and Transition Disclosures	Available for application - the mandatory effective date to be determined once HKFRS 9 finalised
Amendments to HKAS 32: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to HKAS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to HKAS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Annual Improvements to HKFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to HKFRSs 2011-2013 Cycle	1 July 2014
HKFRS 9: Financial Instruments	Available for application - the mandatory effective date to be determined once HKFRS 9 is finalised
HKFRS 14: Regulatory Deferral Accounts	1 January 2016
HK (IFRIC) — Int IFRIC 21: Levies	1 January 2014

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of this financial information is set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Statement of compliance and basis of preparation and presentation

The financial information of the Target Company has been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRS), effective at 31 December 2013, which comprise Hong Kong Financial Reporting Standards (HKFRS), Hong Kong Accounting Standards (HKAS), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). This financial information has been prepared on a going concern basis under the historical cost convention. It is generally based on fair value of compensation given for asset exchange.

(b) Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial information requires the use of judgement in applying accounting policies and in making critical accounting estimates. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ from the amounts included in the financial information.

These estimates are reviewed on an ongoing basis. Changes in accounting estimates are prospectively recognised by recording the effects of changes in the corresponding income or loss accounts for the period in which the corresponding reviews are conducted.

The most important estimates and its uncertain sources related with the preparation of the Target Company's financial information refer to:

- **Determination of functional currency (note 3c)**

  The Target Company prepares and presents its financial information in US Dollars, which is the functional currency of the Target Company. The functional currency is the currency of the main economic environment in which an entity operates. Certain of the Target Company's costs are incurred in Perúvian nuevos soles.

- **Impairment of investments in subsidiaries (note 3f and note 8)**

  The Target Company reviews the carrying amounts of its investment in subsidiaries to determine whether there is any indication that those investments are impaired. In making the assessment for impairment, the recoverable amount of the investment, or cash generating unit (CGU), is measured as the higher of fair value less costs to sell and value in use.

(c) **Functional and presentation currency**

The Target Company prepares and presents its financial information in US Dollars, which is the functional currency of the Target Company. The functional currency is the currency of the main economic environment in which an entity operates.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(d) **Financial instruments**

Financial instruments are defined as contracts that give rise simultaneously to a financial asset in a company and a financial liability or equity instrument in another company.

Financial assets and liabilities are recognised initially at fair value plus transaction costs directly attributable to the acquisition or issue of financial assets and liabilities, except for those classified at fair value through profit or loss, which are initially recognised at fair value and whose transaction costs directly attributable to the acquisition or issue, are recognised immediately in profit or loss for the year.

Financial assets

Financial assets held by the Target Company are classified as loans and receivables. The Target Company does not hold financial assets at fair value through profit or loss, or investments held to maturity or financial assets available for sale.

Other receivables with fixed or determinable payments, not negotiated in an active market, are classified as loans and receivables items. These items are initially recorded at the fair value and subsequently at amortised cost less any impairment loss. Interest income is recognised by using the effective interest rate, with the exception of those short-term receivables in which the recognition is not considered significant.

Financial liabilities

Financial liabilities within the scope of HKAS 39 are classified, as it may correspond, as: financial liabilities at fair value through profit and loss and other financial liabilities.

All financial liabilities are initially recognised at fair value plus directly attributable financial costs, except loans where they are initially recognised at fair value of cash received, less costs directly attributable to the transaction.

Financial liabilities of the Target Company include trade accounts payable, accounts payable to related entities and other accounts payable which are initially recognised at their fair value and subsequently valued at their amortised cost. Amortised cost incorporates costs directly attributable to the transaction.

(e) **Cash and cash equivalents**

Cash and cash equivalents includes cash-in-hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(f) **Investments in subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Target Company has control. The Target Company controls an entity when the Target Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Target Company on the basis of dividend received or declared.

In the preparation of this Financial Information, the Target Company has taken advantage of the exemption available under paragraph 4 (a) of Hong Kong Financial Reporting Standard No. 10 "Consolidated Financial Statements" and has elected not to present consolidated financial statements as:

- The ultimate Parent Company of the Group, Glencore incorporates the financial statements of the Target Company and its subsidiaries in its consolidated financial statements, which are available for public use on the London Stock Exchange;
- There are no non-controlling shareholders relating to the Target Company outside Glencore;
- Liability or net equity instruments of the Target Company are not traded in a public market; and,
- The Target Company does not record, nor is in progress of recording, its financial statements in a securities commission or other regulating agency, with the purpose of issuing any kind of instrument in a public market.

(g) **Provisions and contingent liabilities**

Provisions are recognised when the Target Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks of the specific obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise for past events and whose existence will only be confirmed by the occurrence of one or more future events not wholly within the control of the Target Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

(h) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Target Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Target Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Target Company's activities as described below. The Target Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from sales of services is recognised when the related services are rendered.

(i) **Income tax**

Current income tax

The tax expense recognised for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the places where the Target Company's subsidiaries, joint arrangements and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint arrangements and associates, except where the timing of the reversal of the temporary difference is controlled by the Target Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4. FINANCIAL RISKS AND INSTRUMENTS

Categories of financial instruments

Financial assets and liabilities of the Target Company consist of the following:

	31/12/2013	**31/12/2012**	**31/12/2011**
	US$000	*US$000*	*US$000*
Assets:			
Other receivables	—	527	824
Amounts due from subsidiaries (Note 7)	—	—	1,864
Cash and cash equivalents	108	823	4,234
Loans and receivables	108	1,350	6,922
Liabilities:			
Trade and other payables	—	—	384
Other accounts payable (Note 11)	—	23,750	—
At amortised cost	—	23,750	384

Financial risks

The Target Company is constantly exposed to market, credit and liquidity risks originated from exchange rate, price and interest rate variation. These risks are managed through specific policies and procedures established by the Finance Management. Finance Management is in charge of risk administration; which identifies, evaluates and hedges financial risks.

(a) **Market risks**

(i) ***Exchange rate risk***

The exchange rate risk arises mainly from the balances of cash and cash equivalent, other accounts payable and other receivables, originated in Peruvian nuevos soles. Management has accepted the risk derived from its net asset position in foreign currency, and has not contracted any derivative instruments for hedging as of 31 December 2013, 2012 or 2011.

During the year 2013, the Target Company generated income from exchange difference of US$145 thousand (2012: US$89 thousand and 2011: US$204 thousand) which was recorded under expenses in the income statement.

Balances of financial assets and liabilities as at the end of the reporting periods, denominated in foreign currency correspond to balances in Peruvian nuevos soles, are expressed in U.S. dollars at supply and demand exchange rate published by the Superintendencia De Banca Seguros (SBS) effective at the balance sheet dates, which were 2013: US$0.268 for sale and purchase (2012: US$0.392 and 2011: US$0.358) for currency (Peruvian nuevos soles) S/.1.00.

As of 31 December 2013, the Target Company had cash and cash equivalent in foreign currency for S/.279 (2012: S/.1,472 and 2011: S/.2648).

Management of the Target Company considers a 10% and 5% sensitivity rate in exchange risk assessment as reasonable. Presented below is a sensitivity analysis of monetary assets and liabilities balances assuming a revaluation/devaluation of the Peruvian nuevos soles (S/.) equivalents to the aforementioned rate:

Sensitivity analysis	Variation in exchange rates	Effect on profit and loss of exchange difference 31/12/2013	31/12/2012	31/12/2011
	%	*US$000*	*US$000*	*US$000*
Devaluation				
Nuevos soles	(5)	—	(28)	(77)
Nuevos soles	(10)	(1)	(53)	(146)
Revalutation				
Nuevos soles	5	—	28	77
Nuevos soles	10	1	53	146

(ii) ***Interest rate risk***

Interest rate risk arises from the possibility that the fair value or future cash flows of a financial instrument vary due to changes in market interest rates. The Target Company does not hold interest bearing financial liabilities or interest bearing financial assets at 31 December 2013, 2012 or 2011 and therefore has no interest rate risk.

(b) **Credit risk**

Credit risk comprises the risk of a counterparty being unable to pay total amounts at their maturity, and not being able to settle third parties in transactions of cash and cash equivalent, which is limited to balances deposited in banks and financial institutions as of the reporting date. In order to manage this risk, the Target Company has a defined treasury policy, which solely permits to deposit excess funds in high credit rated institutions by establishing conservative credit policies and through periodic assessments of the market conditions where it carries out its activities. As a result, the Target Company does not expect to incur potential losses regarding balances that involve credit risk.

Credit risk is limited to financial assets as of the reporting dates, which mainly consists of cash and cash equivalent, accounts receivable from related entities and other accounts receivable. The Target Company does not use derivative instruments to manage these credit risks.

(c) **Liquidity risk**

Liquidity risk arises from the possibility that cash may not be available to pay obligations at their maturity at a fair value. The Target Company manages liquidity risk by monitoring cash flows and maturities of their financial assets and liabilities that are short-term.

(d) **Capital risk**

The objective is to safeguard the ability of the Target Company to continue as a going concern in order to provide returns for shareholders and benefits to interest groups and maintain an optimum structure that allows reducing capital cost.

The Target Company manages its capital structure and performs adjustments to face changes in economic conditions of the market. In order to maintain or adjust the capital structure, the Target Company may adjust the payment of dividends to shareholders, return capital to them or issue new shares.

As of 31 December 2013, 2012 and 2011, the Target Company has no liabilities with financial institutions.

(e) **Fair value of financial instruments**

Management considers that the carrying amounts of financial instruments of the Target Company (current assets and liabilities), as of 31 December 2013, 2012 and 2011, are not different significantly from their fair value due to their short-term maturity.

Fair values of financial assets and liabilities held by the Target Company were determined as follows:

- Fair values of assets and liabilities with standard terms and conditions, and those traded in an active market such as investments in equity instruments available for sale, have been determined by reference to quoted market prices (Level 1).

- Fair value of derivative instruments have been calculated using current market transactions observable for the same instrument, or based in a valuation technique which variables only include data from observable markets (Level 2).

- Fair value of other financial assets and liabilities (excluding the previous) has been determined in conformity with widely accepted price models upon the analysis basis of discounted cash flows (Level 3).

- Management believes that the carrying value of financial assets and liabilities are similar to its fair value, because of its short-term maturity.

5. CASH AND CASH EQUIVALENT

	31/12/2013	**31/12/2012**	**31/12/2011**
	US$000	*US$000*	*US$000*
Checking accounts (a)	108	391	379
Time deposits (b)	—	432	3,855
Total	108	823	4,234

(a) Checking accounts are denominated in Peruvian nuevos soles and US dollars, are held in local banks, are freely available and generate interests at market rates.

(b) As of 31 December 2012 and 2011, time deposits corresponded to deposits held in local banks, in Peruvian nuevos soles, with original maturities lower than three months and accruing interests at market rates.

6. INCOME TAX CREDIT

The income tax credit as at 31 December 2013 and 2012, corresponds to advance payments on income tax, generated by the payments of the temporary tax on net assets (ITAN for its Spanish acronym) made during 2013 and 2012.

7. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Target Company has the following asset with the "Glencore Group", being Glencore plc and its subsidiaries:

	31/12/2013	**31/12/2012**	**31/12/2011**
	US$000	*US$000*	*US$000*
Amounts owed to the Target Company from the Glencore Group	—	—	1,864

Amounts owing as at 31 December 2011 relates to working capital funding provided.

The following transactions occurred between the Target Company and the Glencore Group:

	31/12/2013	31/12/2012	31/12/2011
	US$000	*US$000*	*US$000*
Loans granted	—	(7,400)	(3,300)
Loans collected	—	4,400	2,778
Other collections (payments)	—	684	—
Other income and expense transactions	(7)	545	17,630
Dividend income	99,056	—	—

For other related party transactions, please see note 9.

8. INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries comprise:

	Number of shares			Participation in nominal capital			Amount of investments		
	31/12/2013	31/12/2012	31/12/2011	31/12/2013	31/12/2012	31/12/2011	31/12/2013	31/12/2012	31/12/2011
				%	%	%			
Project Company (a)	3,432,123,007	3,432,123,007	54,723,007	99.99	99.99	99.99	1,319,299	1,319,299	19,299
Subsidiaries transferred (Note 9)	—	11,140,873,134	11,130,593,134	—	99.99	99.99	—	741,195	737,195
Total	3,432,123,007	14,572,996,141	11,185,316,141				1,319,299	2,060,494	756,494

The investment movement was as follows:

	Beginning balances 01/01/2011	Transfer	Beginning balances 31/12/2011	Additions	Ending balances 31/12/2012	Transfer	Ending balances 31/12/2013
	US$000	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*	*US$000*
Project Company	—	19,299	19,299	1,300,000	1,319,299	—	1,319,299
Subsidiaries transferred (Note 9)	756,494	(19,299)	737,195	4,000	741,195	(741,195)	—
Total	756,494	—	756,494	1,304,000	2,060,494	(741,195)	1,319,299

(a) **Project Company**

The economic activity of Project Company consists of exploration, development, exploitation, prospecting, rendering of services and all mining-related activities, in accordance with the General Mining and General Corporations laws, effective in Peru. Currently, Project Company is developing Las Bambas copper mine. The Target Company holds 99.99% of the share capital at 31 December 2013, 2012, and 2011.

On 21 November 2012, the Target Company subscribed for additional capital in cash, of US$1,300,000 thousand (equivalent to S/.3,377,400 thousand) in the Project Company.

The summary of the statement of financial position of Project Company is as follow:

	31/12/2013	**31/12/2012**	**31/12/2011**
	US$000	*US$000*	*US$000*
Total current assets	155,324	188,604	96,354
Total non-current assets	4,265,125	2,382,574	1,275,363
Total current liabilities	(158,136)	(140,332)	(1,352,235)
Total non-current liabilities	(2,942,849)	(1,111,364)	—
Shareholders' equity	1,319,464	1,319,482	19,482

9. RESTRUCTURING

To facilitate the disposal of the Las Bambas Project by Glencore, the ultimately holding company of the Target Company, it was determined that the disposal will be effected through the sale of the Target Company. In advance of the disposal, Glencore has undertaken a corporate restructuring by way of Peruvian law "Spin off" to transfer assets of the Target Company which do not relate to the Las Bambas Project to other Glencore group companies.

As a consequence, the Target Company's investments in Compania Minera Antapaccay S.A. and Xstrata Copper Servicios Corporativos Peru S.A. (collectively the "Subsidiaries Transferred") were transferred to another subsidiary of Glencore.

As part of the "Spin off" the Subsidiaries Transferred initially issued a further $1,200,000 share capital to the Target Company. This non-cash dividend was not recognised within the financial information of the Target Company as it already had a 99.99% interest in the Subsidiaries Transferred.

The Subsidiaries Transferred were subsequently transferred at a par value of US$1,916,589 thousand (including the amount of the non-cash dividend — refer Note 10(d)) through a reduction in their share capital of US$1,918,370 thousand (5,453,054,805 shares) with a resultant gain of US$1,781 thousand being credited directly to retained earnings.

10. SHARE CAPITAL AND RESERVES

(a) Issued capital

As of 31 December 2013, the capital is represented by 3,487,059,926 (2012: 4,426,128,938 and 2011: 1,048,728,938) common shares issued and paid, with a face value of S/.1.00 (one Nuevo Sol) each.

The number of outstanding shares at year end is as follows:

	31/12/2013	**31/12/2012**	**31/12/2011**
Beginning of the year	4,426,128,938	1,048,728,938	1,048,728,938
Issue of shares	—	3,377,400,000	—
Capitalisation of retained earnings and legal reserves	4,513,985,793	—	—
Reduction in capital for disposal of subsidiaries from the corporate restructure	(5,453,054,805)	—	—
Balance at year end	3,487,059,926	4,426,128,938	1,048,728,938

(i) ***Increase in issued capital***

At a general Shareholders' Meeting held on 24 September 2013, shareholders agreed and approved the capitalisation of retained earnings, based on unaudited financial statements, for an amount of US$1,599,803 thousand, (equivalent to S/.4,391,459 thousand) issuing 4,391,459,953 new common shares of S/1.00 each (equivalent to US$0.36). Shareholders also approved the capitalisation of legal reserve (see note 10b) for an amount of US$44,636 thousand (equivalent to S/.122,526 thousand) issuing 122,525,840 new common shares of S/.1.00 each (equivalent to US$0.36). These shares are fully subscribed and paid.

On 21 November 2012, the Target Company received a capital contribution from its former shareholder Xstrata South America Limited, for US$1,300,000 thousand (equivalent to S/.3,377,400 thousand) and issued 3,377,400,000 shares of S/.1.00 each (equivalent to US$0.36). These shares are fully subscribed and paid.

(b) Legal reserves

According to General Corporation Law, the legal reserve is increased by transferring 10%, as a minimum, of the net income for each period, after deducting accumulated losses, until reaching an amount equivalent to a fifth of the share capital. In the absence of undistributed earnings or freely available reserve, the legal reserve shall be used to offset losses, but must be replaced. The legal reserve may be capitalized, in which case, it shall also be subsequently replaced.

(c) **Payment of dividends**

At a General Shareholders' Meeting held on 10 May 2013, shareholders agreed and approved the distribution of dividends for US$99,062 thousand equivalent to US$0.022 per share.

(d) **Dividends in the form of equity instruments**

The Target Company received a dividend of US$99,063 thousand in cash and an additional non-cash dividend by way of shares in a Subsidiary Transferred of US$1,200,000 thousand. The non-cash dividend and associated increase in the carrying amount of Subsidiaries Transferred of U$1,200,000 thousand has not been recognised in the financial information as the transaction did not change the economic value of the Target Company.

11. OTHER ACCOUNTS PAYABLE

At 31 December 2012, the amount of US$23,750 thousand (2011: US$23,148 thousand) corresponded to the present value of an obligation owing to related to BHP Peru Holdins Inc. and Global BHOP Copper Ltd. The net present value of the obligation was transferred to a Glencore subsidiary as part of the restructuring. Refer note 9.

The Target Company recorded a finance expense of US$1,250 thousand (US$602 thousand in 2012) in the income statement from the unwinding of this liability.

12. INCOME TAX

(a) **Tax rate**

The income tax rate for domiciled legal entities in Peru for the financial years ended 31 December 2013, 2012 and 2011 was 30%. Companies domiciled in Peru are subjected to an additional rate of 4.1% on any amount that may be considered as indirect income distribution, including, among others, amounts charged to expenses and unreported income, expenses which may have benefited the shareholders outside business expenses, assumed by the companies.

(b) **Tax losses carried forward**

As of 31 December 2013, 2012 and 2011, the Target Company's tax loss carried forward was of US$1,111 thousand, US$1,566 thousand and US$nil respectively. The Target Company has chosen the method under which tax losses are offset against taxable income to be obtained in four immediately subsequent periods, counted as from the year following to its generation. Any balance not compensated once this period has passed will not be carried forward to following years. Additionally, the Target Company has not recorded the related deferred income tax asset as it is uncertain when the Target Company will generate taxable income.

13. NON MONETARY TRANSACTIONS

Investment activities that did not generate cash disbursements, and that affected assets and liabilities for the year ended 31 December 2013, 2012 and 2011, are summarised as follows:

	2013	**2012**	**2011**
	US$000	*US$000*	*US$000*
Transfer of investments for restructuring investments (Note 9)	741,195	—	—
Capitalisation of loans granted to subsidiary (Note 8)	—	4,000	—

14. CONTINGENCIES

As at 31 December 2013, the Target Company has a labour claim with a former employee, the outcome of which was considered by Management and its legal advisors as probable that an outflow of resources will be necessary; and consequently, the Target Company recorded a provision of S/.295 (equivalent to US$109 thousand) which was considered sufficient to cover any liability that may result from the resolution of this case.

In the opinion of management of the Target Company as well as its legal counsel, there are no significant outstanding judgments or claims or other contingencies against the Target Company at 31 December 2013, 2012 or 2011.

15. SUBSEQUENT EVENTS

No audited financial statements have been prepared by the Target Company in respect of any period subsequent to 31 December 2013.

16. SEGMENTAL INFORMATION

The Target Company is an investment holding company and is made up of one reporting segment. All of the results of the Target Company's only segment are disclosed above.

Deloitte LLP