

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 17 to the consolidated financial statements

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Interim unaudited consolidated financial information as of March 31, 2004 and for the three-month period then ended

Translation of a report and consolidated financial statements originally issued in Spanish - See Note 17 to the consolidated financial statements

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Interim unaudited consolidated financial information as of March 31, 2004 and for the three-month period then ended together with Report of Independent Auditors

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Report of Independent Auditors

To the Shareholders of **Compañía de Minas Buenaventura S.A.A.**

1. We have made a limited review of the accompanying consolidated balance sheet of **Compañía de Minas Buenaventura S.A.A.** (a Peruvian company) **and subsidiaries** (together, “the Company”) as of March 31, 2004 and the related consolidated statements of income, changes in shareholders’ equity and cash flows for the three-month period then ended, stated in Peruvian Nuevos Soles. These consolidated financial statements are the responsibility of the Company’s management.
2. The financial statements of Minera Yanacocha S.R.L. (an affiliated entity in which the Company has a 43.65 percent interest) as of March 31, 2004 and for the three-month period then ended, have been reviewed by other independent auditors, whose limited review report dated April 20, 2004 has been furnished to us. In the consolidated financial statements of the Company, as derived from the financial statements of Minera Yanacocha S.R.L., the Company’s investment and share in the net income in this entity amounts to approximately S/1,123.9 million as of March 31, 2004 and approximately S/169.6 million for the three-month period then ended, respectively.
3. We conducted our limited review in accordance with auditing standards generally accepted in Peru for limited reviews. A limited review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries to persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the interim consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.
4. Based on our review and on the limited review report of the auditors of Minera Yanacocha S.R.L., which we have obtained and read, we are not aware of any material modification that should be made to the accompanying interim consolidated financial statements for them to be in conformity with the accounting principles generally accepted in Peru.

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Report of Independent Auditors (continued)

5. We have previously audited, in accordance with auditing standards generally accepted in Peru, the accompanying consolidated balance sheet of **Compañía Minera Buenaventura S.A.A. and subsidiaries** as of December 31, 2003, and the related consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended (not presented herein). Our report dated February 27, 2004 expressed an unqualified opinion on those consolidated financial statements.

Countersigned by:



Víctor Burga
C.P.C. Register No.14859

Medina, Zaldívar, Paredes & Asociados

Lima, Peru
April 20, 2004

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Compañía de Minas Buenaventura S.A.A. and subsidiaries
Consolidated Balance Sheets

As of December 31, 2003 (audited) and March 31, 2004 (unaudited)

	Note	2003 S/(000)	2004 S/(000)	2004 US\$(000) (Note 2)		Note	2003 S/(000)	2004 S/(000)	2004 US\$(000) (Note 2)
Assets					Liabilities and shareholders' equity, net				
Current assets					Current liabilities				
Cash and cash equivalents	3	390,572	472,998	136,665	Bank loans	8	22,991	24,798	7,165
Investment fund	4	53,782	53,485	15,454	Trade accounts payable		51,644	54,380	15,712
Trade accounts receivable		72,779	57,951	16,744	Other current liabilities	10(e)	84,267	184,785	53,391
Other accounts receivable		25,777	20,386	5,890	Fair value of derivative instruments		97,893	92,680	26,778
Accounts receivable from affiliates	13	36,943	45,229	13,068	Current portion of long-term debt	9	69,043	62,140	17,954
Inventories, net	5	75,685	81,090	23,430	Deferred revenue from sale of future production	14	67,463	67,463	19,492
Income tax prepayments		28,408	26,790	7,741	Total current liabilities		393,301	486,246	140,492
Current portion of value added tax and prepaid expenses		17,958	29,959	8,656	Other long-term liabilities		75,314	58,384	16,869
Total current assets		701,904	787,888	227,648	Fair value of derivative instruments	14	301,664	286,111	82,667
					Long-term debt	9	44,558	35,786	10,340
Long-term accounts receivable		941	844	244	Deferred revenue from sale of future production	14	628,287	614,367	177,512
Value added tax and prepaid expenses		5,668	3,938	1,138	Total liabilities		1,443,124	1,480,894	427,880
Investments in shares	6	1,414,727	1,531,604	442,532	Minority interest		47,459	56,568	16,344
Property, plant and equipment, net		387,071	391,633	113,156	Shareholders' equity, net	10			
Development costs and mineral lands, net		135,028	139,855	40,409	Capital stock, net of treasury shares by S/48,881,000 in 2003 and 2004		584,809	584,809	168,971
Deferred stripping costs		54,933	54,933	15,872	Investment shares, net of treasury shares by S/65,000 in 2003 and 2004		1,649	1,649	476
Mining concessions and goodwill, net	7	164,820	161,838	46,760	Additional paid-in capital		598,434	598,434	172,908
Deferred income tax and workers' profit sharing asset, net	12	291,486	273,335	78,975	Legal reserve		97,383	114,522	33,089
Total assets		3,156,578	3,345,868	966,734	Retained earnings		213,804	299,807	86,625
					Cumulative translation loss		(28,818)	(63,602)	(18,377)
					Unrealized gain on investments in shares carried at fair value		204,955	278,550	80,483
					Unrealized loss from derivative instruments		(6,221)	(5,763)	(1,665)
					Total shareholders' equity, net		1,665,995	1,808,406	522,510
					Total liabilities and shareholders' equity, net		3,156,578	3,345,868	966,734

The accompanying notes are an integral part of these consolidated balance sheets.

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Consolidated Statements of Income (unaudited)

For the three-month periods ended March 31, 2003 and 2004

	Note	2003 S/(000) [Note 1(e)]	2004 S/(000)	2004 US\$(000) (Note 2)
Operating revenues				
Net sales		162,780	201,298	58,162
Royalty income	13(a)	25,091	33,753	9,752
Total revenues		<u>187,871</u>	<u>235,051</u>	<u>67,914</u>
Costs of operation				
Operating costs		72,827	81,214	23,465
Exploration and development costs in operational mining sites		15,369	23,464	6,779
Depreciation		8,615	11,480	3,317
Total costs of operation		<u>96,811</u>	<u>116,158</u>	<u>33,561</u>
Gross margin		<u>91,060</u>	<u>118,893</u>	<u>34,353</u>
Operating expenses				
General and administrative		17,377	20,609	5,955
Exploration costs in non-operational mining areas		8,988	10,117	2,923
Selling		5,088	5,020	1,450
Royalties		4,744	4,447	1,285
Total operating expenses		<u>36,197</u>	<u>40,193</u>	<u>11,613</u>
Operating income		<u>54,863</u>	<u>78,700</u>	<u>22,740</u>
Other income (expenses)				
Share in affiliated companies	6(b)	67,309	167,557	48,413
Realized revenue from sale of future production	14	-	13,920	4,022
Gain from change in the fair value of derivative instruments	14	95,010	8,556	2,472
Realized loss in derivative instruments	14	(1,336)	(45,721)	(13,210)
Interest income		1,230	2,849	823
Gain (loss) from exposure to inflation		888	(4,821)	(1,393)
Interest expense		(2,395)	(1,814)	(524)
Amortization of mining concessions and goodwill	7	(4,122)	(2,982)	(862)
Other, net		2,201	(1,083)	(312)
Total other income, net		<u>158,785</u>	<u>136,461</u>	<u>39,429</u>
Income before workers' profit sharing, income tax and minority interest				
		213,648	215,161	62,169
Workers' profit sharing	12	(39)	(3,804)	(1,099)
Income tax	12	(6,640)	(22,212)	(6,418)
Income before minority interest		<u>206,969</u>	<u>189,145</u>	<u>54,652</u>
Minority interest		(13,823)	(15,572)	(4,499)
Net income		<u>193,146</u>	<u>173,573</u>	<u>50,153</u>
Basic and diluted earnings per share, stated in Peruvian Nuevos Soles and U.S. dollars				
	15	<u>1.52</u>	<u>1.36</u>	<u>0.39</u>
Weighted average number of shares outstanding				
	15	<u>127,236,219</u>	<u>127,236,219</u>	<u>127,236,219</u>

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Consolidated Statements of Changes in Shareholders' Equity (unaudited)

For the three-month periods ended March 31, 2003 and 2004

	Capital stock, net of treasury shares		Investment shares S/(000)	Additional paid-in capital S/(000)	Legal reserve S/(000)	Retained earnings S/(000)	Cumulative translation loss S/(000)	Unrealized gain on investments in shares carried at fair value S/(000)	Unrealized gain (loss) from derivative instruments S/(000)	Total S/(000)
	Number of shares	Common shares S/(000)								
Balance as of January 1, 2003	126,879,832	584,809	1,649	598,434	79,910	670,361	7,221	-	-	1,942,384
Declared and paid dividends, note 10(e)	-	-	-	-	-	(43,304)	-	-	-	(43,304)
Loss in the initial valuation of derivative instruments, note 14	-	-	-	-	-	(448,890)	-	-	-	(448,890)
Gain in the valuation of derivative instruments classified as hedging instruments, note 14	-	-	-	-	-	-	-	-	1,706	1,706
Loss in the initial valuation of investments in shares maintained at fair value, note 6(c)	-	-	-	-	-	(5,835)	-	-	-	(5,835)
Gain on investments in shares maintained at fair value, note 6(c)	-	-	-	-	-	-	-	16,629	-	16,629
Transfer to legal reserve	-	-	-	-	19,054	(19,054)	-	-	-	-
Cumulative loss for translation of investment in Minera Yanacocha S.R.L., note 6(e)	-	-	-	-	-	-	(24,010)	-	-	(24,010)
Net income	-	-	-	-	-	193,146	-	-	-	193,146
Balance as of March 31, 2003	<u>126,879,832</u>	<u>584,809</u>	<u>1,649</u>	<u>598,434</u>	<u>98,964</u>	<u>346,424</u>	<u>(16,789)</u>	<u>16,629</u>	<u>1,706</u>	<u>1,631,826</u>
Balance as of January 1, 2004	126,879,832	584,809	1,649	598,434	97,383	213,804	(28,818)	204,955	(6,221)	1,665,995
Declared and paid dividends, note 10(e)	-	-	-	-	-	(70,431)	-	-	-	(70,431)
Gain on investments in shares maintained at fair value, note 6(c)	-	-	-	-	-	-	-	73,595	-	73,595
Gain from change in the fair value of derivative instruments classified as hedging instruments, note 14	-	-	-	-	-	-	-	-	458	458
Transfer to legal reserve	-	-	-	-	17,139	(17,139)	-	-	-	-
Cumulative loss for translation of investment in Minera Yanacocha S.R.L., note 6(e)	-	-	-	-	-	-	(34,784)	-	-	(34,784)
Net income	-	-	-	-	-	173,573	-	-	-	173,573
Balance as of March 31, 2004	<u>126,879,832</u>	<u>584,809</u>	<u>1,649</u>	<u>598,434</u>	<u>114,522</u>	<u>299,807</u>	<u>(63,602)</u>	<u>278,550</u>	<u>(5,763)</u>	<u>1,808,406</u>

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See Note 17

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Consolidated Statements of Cash Flows (unaudited)

For the three-month periods ended March 31, 2003 and 2004

	2003 S/(000)	2004 S/(000)	2004 US\$(000) (Note 2)
Operating activities			
Collection from customers	182,941	216,126	62,446
Collection of dividends	-	95,366	27,554
Collection of royalties	24,974	28,119	8,124
Collection of interest	2,530	2,849	823
Payments to suppliers and third parties	(80,307)	(89,240)	(25,784)
Payments to employees	(33,281)	(32,758)	(9,465)
Payments of exploration expenditures	(19,843)	(29,171)	(8,428)
Payments of income tax	(11,236)	(14,498)	(4,189)
Payments of royalties	(6,602)	(5,708)	(1,649)
Payments of interest	(3,965)	(1,517)	(438)
Net cash provided by operating activities	<u>55,211</u>	<u>169,568</u>	<u>48,994</u>
Investing activities			
Payments of derivative instruments settled, net	(1,336)	(45,721)	(13,210)
Purchase of plant and equipment	(11,216)	(14,825)	(4,283)
Development expenditures	(6,256)	(9,735)	(2,813)
Increase of accounts receivable from affiliate	-	(2,652)	(766)
Payments for investments in shares	(1,556)	(1,244)	(359)
Proceeds from sale of plant and equipment	407	903	261
Net cash used in investing activities	<u>(19,957)</u>	<u>(73,274)</u>	<u>(21,170)</u>
Financing activities			
Repayments of long-term debt	(6,903)	(15,675)	(4,529)
Increase (decrease) of bank loans, net	(8,940)	1,807	522
Net cash used in financing activities	<u>(15,843)</u>	<u>(13,868)</u>	<u>(4,007)</u>
Net increase in cash during the period	19,411	82,426	23,817
Cash at beginning of period	<u>93,996</u>	<u>390,572</u>	<u>112,848</u>
Cash at period-end	<u>113,407</u>	<u>472,998</u>	<u>136,665</u>

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Consolidated Statements of Cash Flows (unaudited) (continued)

	2003 S/(000)	2004 S/(000)	2004 US\$(000) (Note 2)
Reconciliation of net income to net cash provided by operating activities			
Net income	193,146	173,573	50,153
Add (deduct)			
Gain from change in the fair value of derivative instruments	(95,010)	(8,556)	(2,472)
Share in affiliated companies, net of dividends received	(67,309)	(76,966)	(22,238)
Minority interest	13,823	15,572	4,499
Depreciation	9,116	11,908	3,441
Expense from deferred income tax and workers' profit sharing	161	9,922	2,867
Loss (gain) from exposure to inflation	(888)	4,821	1,393
Amortization of development costs in operational mining sites	4,013	4,202	1,214
Amortization of mining concessions and goodwill	4,122	2,982	862
Long-term officers' compensation (*)	1,204	2,054	593
Accretion expense	-	986	284
Loss (gain) on sale of plant and equipment	38	(624)	(180)
Unrealized loss in investment fund costs	-	297	86
Net cost of retired plant and equipment	1,407	-	-
Net changes in assets and liabilities accounts			
Decrease (increase) of operating assets -			
Trade and other accounts receivable	8,543	20,219	5,842
Inventories	(3,727)	(3,598)	(1,039)
Income tax credit and value added tax and prepaid expenses	(1,778)	(8,653)	(2,500)
Deferred stripping costs	(1,441)	-	-
Increase (decrease) of operating liabilities -			
Accounts payable	(10,209)	21,429	6,189
Net cash provided by operating activities	<u>55,211</u>	<u>169,568</u>	<u>48,994</u>

(*) This provision, which covers until the year 2013, corresponds to a long-term compensation program granted by the Company to certain officers, as further explained in Note 17 to the 2003 consolidated financial statements.

The accompanying notes are an integral part of these consolidated statements.

Compañía de Minas Buenaventura S.A.A. and subsidiaries

Notes to the consolidated financial statements (unaudited)

As of March 31, 2003 and 2004

1. Interim unaudited consolidated financial statements

- (a) The accompanying interim consolidated financial statements have been prepared from the accounting records of Compañía de Minas Buenaventura S.A.A. ("Buenaventura") and subsidiaries (together, "the Company"), which are maintained in nominal Peruvian currency and adjusted to reflect changes in the National Wholesale Price Level Index (IPM). According to such index, prices increased 1.1 and 2.8 percent during the three-month periods ended March 31, 2003 and 2004, respectively.

Figures presented in the consolidated financial statements as of December 31, 2003 and for the three-month period ended March 31, 2003, have been inflation adjusted to reflect the change in IPM as of March 31, 2004.

- (b) The criteria and accounting principles used by Management in the accompanying interim consolidated financial statements preparation, which should be read together with the 2003 audit report, are similar to those used in the preparation of the Company's annual consolidated financial statements. Additionally, in preparing the interim consolidated financial information, Management made certain estimates and assumptions; accordingly actual results may differ from those presented in this report.
- (c) Certain figures of the consolidated financial statements as of December 31, 2003 and for the three-month period ended March 31, 2003 have been reclassified to make them comparable with the current period figures.

Notes to the consolidated financial statements (unaudited) (continued)

(d) The interim consolidated financial statements include the financial statements of the following subsidiaries:

Subsidiaries	Ownership percentages as of				Business activity
	December 31, 2003		March 31, 2004		
	Direct %	Indirect %	Direct %	Indirect %	
Buenaventura Ingenieros S.A.	100.00	-	100.00	-	Advisory and engineering services related to the mining industry.
Compañía de Exploraciones, Desarrollo e Inversiones Mineras S.A.C. - CEDIMIN	44.83	55.17	44.83	55.17	Holds investments in S.M.R.L. Chaupiloma Dos de Cajamarca, Minas Conga S.R.L. and other affiliated companies engaged in mining activities. Also, it is engaged in the extraction, concentration and commercialization of gold bars and concentrates
Compañía Minera Condesa S.A.	99.99	-	99.99	-	Holds investments in Buenaventura, Yanacocha and other affiliated companies engaged in mining activities.
Compañía Minera Colquirrumi S.A.	73.63	-	73.63	-	Extraction, concentration and commercialization of polymetallic ores, mainly zinc and lead. Currently is also engaged in electric power sales.
Consorcio Energético de Huancavelica S.A.	99.99	0.01	99.99	0.01	Transmission of electric power to mining companies.
Contacto Corredores de Seguros S.A.	-	99.99	-	99.99	Placement of insurance contracts and provision of administrative and technical services in insurance matters.
Inversiones Colquijirca S.A.	59.90	-	59.90	-	Extraction, concentration and commercialization of polymetallic ores, mainly zinc and lead, through its subsidiary Sociedad Minera El Brocal S.A.A.
Inversiones Mineras del Sur S.A.	78.04	-	78.04	-	Extraction, concentration and commercialization of gold in bars and concentrates.
Metalúrgica Los Volcanes S.A.	100.00	-	100.00	-	Treatment of minerals and concentrates.
Minera Paula 49 S.A.C.	-	51.00	-	51.00	Extraction, concentration and commercialization of concentrates, primarily gold.
Minas Conga S.R.L.	-	60.00	-	60.00	Holds certain mining concessions.
S.M.R.L. Chaupiloma Dos de Cajamarca	20.00	40.00	20.00	40.00	Owner of the mining concessions explored and exploited by Yanacocha.

(e) As mentioned in note 3 to the audited consolidated financial statements as of December 31, 2003, the Company and its affiliated Yanacocha changed its accounting policy for recording the accrual for mine closing costs. Such change was recorded in December 2003, effective January 1, 2003.

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Notes to the consolidated financial statements (unaudited) (continued)

The condensed consolidated statement of income for the three-month period ended March 31, 2003 that had resulted if the Company had recorded the accounting change in this quarter is presented as follows:

	S/(000)
Total revenues	187,871
Costs of operation	
Exploration and development costs in operational mining sites	15,687
Depreciation	8,682
Other	72,827
Total costs of operation	97,196
Gross margin	90,675
Operating expenses	36,197
Operating income	54,478
Other income (expenses)	
Share in affiliated companies	62,578
Accretion expense	(1,157)
Other	91,476
Total other income, net	152,897
Income before workers' profit sharing, income tax, minority interest and cumulative effect of change in accounting principle	207,375
Workers' profit sharing	(53)
Income tax	(6,687)
Income before minority interest and cumulative effect of change in accounting principle	200,635
Minority interest	(13,704)
Income before cumulative effect of change in accounting principle	186,931
Cumulative effect of change in accounting principle due to mine closing costs	(70,848)
Net income	116,083
Basic and diluted earnings per share	0.91

Notes to the consolidated financial statements (unaudited) (continued)

2. Convenience translation of Peruvian Nuevos Soles amounts into U.S. dollar amounts

The interim consolidated financial statements are stated in Peruvian Nuevos Soles. U.S. dollars amounts are included solely for the convenience of the reader, and were obtained by dividing Peruvian Nuevos Soles amounts by the exchange rate for selling U.S. dollars as of March 31, 2004 (S/3.461 to US\$1), as published by the Superintendencia de Banca y Seguros (Superintendent of Bank and Insurance, or "SBS"). The convenience translation should not be construed as representation that the amounts of the consolidated financial statements in Peruvian Nuevos Soles have been, or could be converted into U.S. dollars at the foregoing or any other rate of exchange.

3. Cash and cash equivalents

(a) This item is made up as follows:

	As of December 31, 2003 S/(000)	As of March 31, 2004 S/(000)
Cash	2,063	2,011
Demand deposit accounts	16,944	192,516
Time deposits (b)		
In local currency	71,590	69,640
In foreign currency	299,975	208,831
	<u>390,572</u>	<u>472,998</u>

(b) As of March 31, 2004, the Company maintained the following time deposits:

- S/69,640,000 at an annual interest rate of 5.7 percent with maturities between 91 and 903 days. With the purpose of hedging the foreign currency exchange risk associated to these time deposits, the Company entered into foreign currency forward contracts for US\$18,717,000 at exchange rates ranging from S/3.483 to S/3.589 for each U.S. dollar ; these contracts have similar maturities to the time deposits, see note 14.

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Notes to the consolidated financial statements (unaudited) (continued)

- US\$60,000,000 with annual interest rates ranging from 0.88% to 1.25% and maturities of 180 days.

4. Investment fund

The Company maintains a variable-fixed investment fund managed by Compass Group Sociedad Administradora de Fondos de Inversión S.A. As of March 31, 2004, the fair value of the Company's participation in such fund amounts to S/53,485,000 (S/53,782,000 as of December 31, 2003).

5. Inventories, net

This item is made up as follows:

	As of December 31, 2003 S/(000)	As of March 31, 2004 S/(000)
Mineral concentrates	32,875	37,313
Spare parts and supplies	49,296	50,062
	<u>82,171</u>	<u>87,375</u>
Less - Slow moving and obsolescence spare parts and supplies reserve	(6,486)	(6,285)
	<u>75,685</u>	<u>81,090</u>

In Management's opinion, the slow moving and obsolescence spare parts and supplies reserve is sufficient to cover this risk as of December 31, 2003 and March 31, 2004. Spare parts and supplies with slow turnover are classified as current assets due to their immaterial amount.

Notes to the consolidated financial statements (unaudited) (continued)

6. Investments in shares

(a) This item is made up as follows:

	Equity ownership percentage		Amount	
	As of December 31, 2003 %	As of March 31, 2004 %	As of December 31, 2003 S/(000)	As of March 31, 2004 S/(000)
Investments carried at fair value				
Sociedad Minera Cerro Verde S.A. (c)	9.17	9.17	218,979	292,574
Other			4,350	5,594
			<u>223,329</u>	<u>298,168</u>
Equity method investments				
Minera Yanacocha S.R.L.:	43.65	43.65		
Equity share (e)			1,079,488	1,123,971
Amount paid over the book value, net (f)			111,615	109,170
			<u>1,191,103</u>	<u>1,233,141</u>
Other			295	295
			<u>1,191,398</u>	<u>1,233,436</u>
			<u>1,414,727</u>	<u>1,531,604</u>

The amount of equity participation in Minera Yanacocha S.R.L. (hereafter "Yanacocha") has been obtained from the audited financial statements as of December 31, 2003 and the unaudited financial statements as of March 31, 2004.

Notes to the consolidated financial statements (unaudited) (continued)

- (b) The detail of the share in affiliated companies is made up as follows:

	For the three-month period ended March 31,	
	2003 S/(000)	2004 S/(000)
Minera Yanacocha S.R.L.	67,481	167,413
Other	(172)	144
	<u>67,309</u>	<u>167,557</u>

Sociedad Minera Cerro Verde S.A.

- (c) During the first quarter of 2004, the Company credited to a separate equity account an amount of S/73,595,000 to carry the investment in Sociedad Minera Cerro Verde S.A. to its fair value as of March 31, 2004 (S/16,629,000 during the first quarter of 2003). In addition, during the first quarter of 2003, the Company recorded a charge to retained earnings of S/5,835,000, corresponding to the effect of the adoption of the accounting policy explained in note 2(g) to the annual consolidated financial statements.
- (d) During the first quarter of 2004, the Company received dividends of S/4,775,000 from Sociedad Minera Cerro Verde S.A.; these are presented in the other, net caption of the consolidated statements of income.

Minera Yanacocha S.R.L.

- (e) Yanacocha represents the most significant investment of the Company. The shares in Yanacocha's earnings have been significant in connection with the Company's net income for the three-month period ended March 31, 2003 and 2004.

Notes to the consolidated financial statements (unaudited) (continued)

The calculation of the equity investment in Yanacocha is as follows:

	As of March 31,	
	2003 S/(000)	2004 S/(000)
Yanacocha's equity at beginning of period	2,503,320	2,497,966
Participation percentage	43.65%	43.65%
Company's participation in Yanacocha's equity at beginning of period	1,092,699	1,090,362
Elimination of intercompany profits (i)	(11,975)	(10,874)
Balance at beginning of period	1,080,724	1,079,488
Participation in Yanacocha's income for the period	69,262	169,571
Dividends received, Note 13(a)	-	(90,591)
Realization of intercompany gains (i)	329	287
Cumulative translation loss	(24,010)	(34,784)
Balance at period-end	1,126,305	1,123,971

- (i) The Company does not recognize the intercompany profits of prior years; for reporting purposes, these profits are presented net of the investment in Yanacocha. The Company increases the investment and recognizes a gain in the share in affiliated companies as Yanacocha depreciates and amortizes the acquired assets.

The share in Yanacocha's income has increased in 2004 as compared to 2003 due to the increase of Yanacocha's net revenues from US\$230.0 million in the first quarter of 2003 to US\$326.8 million in the first quarter of 2004 as a result of: (i) the increase of the realized gold price from US\$352 per ounce during the first quarter of 2003 to US\$408 per ounce during the first quarter of 2004, and (ii) increase of the volume of ounces of gold sold from 652,655 during the first quarter of 2003 to 799,018 in the first quarter of 2004. Increased revenues have been partially offset by an increase of the cash cost per ounce from US\$134 during the first quarter of 2003 to US\$144 during the first quarter of 2004.

Notes to the consolidated financial statements (unaudited) (continued)

- (f) The movement of the amount paid over the book value of Yanacocha's share is as follows:

	As of March 31	
	2003 S/(000)	2004 S/(000)
Balance at beginning of period	121,550	111,615
Amortization	<u>(2,110)</u>	<u>(2,445)</u>
Balance at period end	<u>119,440</u>	<u>109,170</u>

- (g) Presented below is selected information about Yanacocha:

Business activity

Yanacocha is engaged in the exploration and exploitation of gold in the open pit mines of Carachugo, San José, Maqui Maqui, Cerro Yanacocha and La Quinoa; all mines are located in the department of Cajamarca, Peru. S.M.R.L. Chaupiloma Dos de Cajamarca is the legal owner of the mineral rights on the mining concessions exploited by Yanacocha.

Main data of Yanacocha's financial statements

Presented below is main data of Yanacocha's financial statements, adjusted to conform to accounting practices of the Company:

Summary data from the Yanacocha's balance sheet as of December 31, 2003 (audited) and March 31, 2004 (unaudited):

	2003 US\$(000)	2004 US\$(000)
Total assets	1,146,040	1,199,221
Total liabilities	445,170	447,785
Shareholders' equity	700,870	751,436

Notes to the consolidated financial statements (unaudited) (continued)

Summary data from the Yanacocha statements of income for the three-month period ended March 31, 2003 and 2004 (unaudited):

	2003	2004
	US\$(000)	US\$(000)
Total revenues	230,041	326,841
Operating income	70,169	152,588
Net income	43,606	110,567

Declared and paid dividends from Yanacocha -

During the first quarter of 2004, Yanacocha paid to its shareholder Condesa dividends by approximately S/90,591,000. Yanacocha paid no dividends to its shareholders in the same period of 2003.

Legal proceedings -

Mercury spill incident near the town of Choropampa -

In June 2000, a transport contractor of Yanacocha spilled approximately 11 liters of mercury near the town of Choropampa, Peru, which is located 53 miles from Yanacocha. As a consequence, on September 10, 2001, Yanacocha and other defendants were named in a lawsuit by over 900 Peruvian citizens in Denver District Court of the State of Colorado (the Court). This action seeks compensatory and punitive damages based on claims associated with the mercury spill incident. This action was dismissed by the Denver District Court on May 22, 2002 and this ruling was reaffirmed by the Court on June 30, 2002. Plaintiffs' attorneys appealed this dismissal.

In July 2002, Yanacocha and certain subsidiaries of Newmont Mining Corporation were served with other lawsuits in the Denver District Court for the State of Colorado and in the United States District Court for the District of Colorado, by approximately 140 additional Peruvian plaintiffs and by the same plaintiffs who filed the September 2001 lawsuit. These actions also seek compensatory and punitive damages based on claims associated with the mercury spill incident near the town of Choropampa. These lawsuits have been stayed pending the outcome of the first appeal.

Notes to the consolidated financial statements (unaudited) (continued)

At the date of the report, Yanacocha can not reasonable predict the final outcome of any of the described lawsuits and estimates that an adverse decision is not expected to have a material adverse effect on the Yanacocha's financial condition.

Cerro Quilish -

Yanacocha was involved in a dispute with the Provincial Municipality of Cajamarca regarding the authority of that governmental body to regulate the development of the Cerro Quilish ore deposit (which contains reserves of approximately 3.2 million ounces of gold). Cerro Quilish is located in the same watershed in which the City of Cajamarca is located. The Municipality has enacted an ordinance declaring Cerro Quilish and its watershed to be a reserve and naturally protected area. Yanacocha has challenged this ordinance on the grounds that, under Peruvian law, local governments lack authority to create such areas. In May 2002, the Peruvian Constitutional Court was installed in Lima to hear the case. The case was heard in early 2003 and the Court ruled on April 7, 2003 and established that the Yanacocha right to prospect and explore, according to its mining concessions, are free and clear from encumbrance.

The Court has required Yanacocha to complete a full environmental impact study, conducted by independent and certified organizations or institutions, prior to initiating any development at Cerro Quilish, and adopt mitigation measures necessary to protect the quality and quantity of the water supply of the city of Cajamarca.

Arbitration with a contractor -

In November 2003, Yanacocha received a notice for arbitration from a contractor relating to a fee and contractual dispute for civil construction works performed at Carachugo. The estimated amount of the claim is approximately US\$12 million. While Yanacocha has not accepted the validity of the contractor claim, the parties are engaged in a mediation process. The outcome of this process is uncertain; however, an adverse decision is not expected to have a material adverse effect on the Yanacocha's financial condition.

Notes to the consolidated financial statements (unaudited) (continued)

7. Mining concessions and goodwill, net

Movements within the cost and accumulated amortization accounts were as follows:

	Balance as of December 31, 2003 S/(000)	Additions S/(000)	Balance as of March 31, 2004 S/(000)
Cost			
Compañía de Exploraciones, Desarrollo e Inversiones			
Mineras S.A.C. - CEDIMIN	172,361	-	172,361
Inversiones Colquijirca S.A.	41,640	-	41,640
Consortio Energético de			
Huancavelica S.A.	8,933	-	8,933
Sociedad Minera			
El Brocal S.A.A.	5,440	-	5,440
	<u>228,374</u>	<u>-</u>	<u>228,374</u>
Accumulated amortization			
Compañía de Exploraciones, Desarrollo e Inversiones			
Mineras S.A.C. - CEDIMIN	42,396	1,873	44,269
Inversiones Colquijirca S.A.	17,791	757	18,548
Consortio Energético de			
Huancavelica S.A.	1,883	222	2,105
Sociedad Minera			
El Brocal S.A.A.	1,484	130	1,614
	<u>63,554</u>	<u>2,982</u>	<u>66,536</u>
Net cost	<u>164,820</u>		<u>161,838</u>

Notes to the consolidated financial statements (unaudited) (continued)

8. Bank loans

Bank loans, contracted in U.S. dollars, are as follows:

	Annual interest rate	As of December 31, 2003 S/(000)	As of March 31, 2004 S/(000)
Sociedad Minera			
El Brocal S.A.A.			
Banco de Crédito del Perú	Ranging from 3.68% to 3.70%	5,840	7,614
Banco Internacional del Perú - Interbank	3.71%	4,807	2,250
Banco Interamericano de Finanzas - BIF	3.70%	1,603	3,461
Inversiones Mineras del Sur S.A.			
Banco de Crédito del Perú	2.66%	10,327	10,037
Other subsidiaries		<u>414</u>	<u>1,436</u>
		<u>22,991</u>	<u>24,798</u>

Bank loans were obtained to finance working capital needs and have short-term maturities. Loans obtained by Sociedad Minera El Brocal S.A.A. are guaranteed by the related shipments of lead and zinc concentrates inventories. The other bank loans do not have specific guarantees.

Notes to the consolidated financial statements (unaudited) (continued)

9. Long-term debt

(a) Long-term debt, principally denominated in U.S. dollars, is composed of the following loans:

Entity	Guarantee	Annual interest rate	Maturity date	As of December 31, 2003 S/(000)	As of March 31, 2004 S/(000)
Inversiones Mineras del Sur S.A.					
Banco de Crédito del Perú (i)	Guaranteed by Buenaventura.	4.5%	August 2005	71,220	62,298
Consortio Energético de Huancavelica S.A.					
BBVA Banco Continental	Guaranteed by Buenaventura.	Libor plus 1.2% (2.3% as of March 31, 2004)	April 2005	18,933	14,966
Sociedad Minera El Brocal S.A.A.					
Banco de Crédito del Perú	No specific guarantees.	Libor plus 3.75% (4.85% as of March 31, 2004)	September 2006	17,953	15,864
Teck Cominco Metals Ltd. (ii)	No specific guarantees.	Libor plus 6% (7.1% as of March 31, 2004)	December 2006	5,384	4,777
Other				111	21
				113,601	97,926
Less – Current portion				(69,043)	(62,140)
Long-term portion				44,558	35,786

(i) This note contains a quarterly roll-over provision and is fully guaranteed by Buenaventura. In January 2004 this loan was rolled-over with an annual interest rate of 4.50%.

(ii) This loan is subordinated to the obligations established in the loan agreement signed with Banco de Crédito del Perú. The date of payment has been deferred to December 2006.

Notes to the consolidated financial statements (unaudited) (continued)

- (b) The long-term debt maturity schedule of the non-current portion of long-term debt is as follows:

Year ended March 31,	Amount S/(000)
2006	30,157
2007	<u>5,629</u>
	<u>35,786</u>

- (c) The financing agreements include certain covenants that require compliance with financial indicators as specified in the contracts. As of December 31, 2003 and as of March 31, 2004, the Company has fulfilled all commitments.

10. Shareholders' equity, net

- (a) Capital stock -

As of March 31, 2004 and as of December 31, 2003, the capital stock is made up as follows:

	Number of shares	Nominal value S/(000)	Restatement for inflation effect S/(000)	Capital stock S/(000)
Common shares	137,444,962	549,780	83,910	633,690
Treasury shares	<u>(10,565,130)</u>	<u>(42,261)</u>	<u>(6,620)</u>	<u>(48,881)</u>
	<u>126,879,832</u>	<u>507,519</u>	<u>77,290</u>	<u>584,809</u>

On October 28, 2003, the Board of Directors agreed to modify the ADR's program with the Bank of New York. Effective November 12, 2003, each ADR corresponds to one common share. Until November 11, 2003, each ADR corresponded to two common shares.

Notes to the consolidated financial statements (unaudited) (continued)

(b) Investment shares -

As of March 31, 2004 and as of December 31, 2003, this caption is made up as follows:

	Number of shares	Nominal value S/(000)	Restatement for inflation effect S/(000)	Investment shares S/(000)
Investment shares	372,320	1,489	225	1,714
Treasury shares	(15,933)	(63)	(2)	(65)
	<u>356,387</u>	<u>1,426</u>	<u>223</u>	<u>1,649</u>

(c) Additional paid-in capital -

The additional paid-in capital of the Company includes the following as of March 31, 2004 and as of December 31, 2003:

- The premium obtained from the issuance of common shares for S/535,888,000.
- The income from the sale of ADR's, explained in the paragraph 20(e) in notes to the audited consolidated financial statements of 2003 for S/29,679,000.
- The amount of S/32,867,000 that results from: the difference between the constant nominal value of treasury shares (common and investment), maintained through its subsidiary Condesa, and the inflation adjusted cost of such shares.

(d) Legal reserve -

According to the *Ley General de Sociedades* (General Corporations Law), applicable to individual and unconsolidated financial statements, a minimum of 10% of distributable income in each year, after deducting income tax, shall be transferred to a legal reserve, until such reserve is equal to 20 percent of capital stock. This legal reserve may be used to offset losses or may be capitalized; however, if used to offset losses or if capitalized, the reserve must be replenished with future profits.

Notes to the consolidated financial statements (unaudited) (continued)

(e) Declared dividends -

The Annual Shareholders' meeting held on March 31, 2003 approved a cash dividend of S/43,304,000 (equivalent to S/0.31 per share) from retained earnings as of December 31, 2002. The dividends declared were available to shareholders from April 2003.

The Annual Shareholders' meeting held on March 26, 2004 approved a cash dividend of S/76,297,000 (equivalent to S/0.55 per share) from retained earnings as of December 31, 2003. The dividends declared are presented in other current liabilities of the consolidated balance sheet as of March 31, 2004 and were available to shareholders' from April 2004.

During the first quarter of 2004, the Company paid dividends to its subsidiary Condesa by S/5,866,000. Such amount is presented net of declared dividends, in the consolidated statements of shareholders' equity for the three-month period ended March 31, 2004.

11. Legal proceedings

Damages claimed by a French citizen -

In February of 2002, the Company and Condesa, together with Newmont Mining, Newmont Second and certain individual persons, were defendants in an action initiated by a French citizen, with jurisdiction before the District Court of the state of Colorado in the United States. The plaintiff alleges that he was engaged as an advisor to Normandy respective to a lawsuit that concluded in October of 1998, and that such lawsuit separately motivated the execution of a Global Transaction Agreement in 2000 between the Company, BRGM, Mine Or, Normandy and their related entities (SEREM). The Global Transaction Agreement provided for full and permanent revocation and annulment of any preferential rights on the shares of Compañía de Exploraciones Desarrollo e Inversiones Mineras S.A.C. - CEDIMIN in exchange for a one-time payment of US\$80 million, of which the Company paid US\$40 million.

Notes to the consolidated financial statements (unaudited) (continued)

The plaintiff asserts that he was injured because Normandy had promised to pay him a commission based fee if he was able to increase the amount of the Company's payment as ordered by the Court, which did not occur, and seeks damages of not less than US\$25 million plus interest, in addition to unspecified punitive damages that could increase the amount by threefold. Additionally, the plaintiff alleges violations of the federal RICO statute and similar provisions of Colorado law, interference with contract rights, defamation and other damages.

The defendants have filed various motions to dismiss the action and believe the arguments presented for dismissal have solid legal ground; however, rather than responding to these motions for dismissal, the plaintiff has filed another demand. The Company and Condesa have presented motions to reject the new demand. On January 15, 2004, the judge Richard P. Matsch of the state of Colorado of the United States of America dismissed the new demand. On February 15, 2004 the plaintiff appealed the outcome to the Federal Court of the United States of America - Tenth Circuit (Colorado).

Other -

From time to time in the normal course of its activities, the Company is involved in various legal proceedings of a diverse nature. Management believes that any possible loss, which may result from these lawsuits, will not have a materially adverse effect on the Company's financial position.

12. Deferred income tax and workers' profit sharing

- (a) As of March 31, 2004, the deferred income tax and workers' profit sharing asset mainly includes the effects from the deferred revenue from sale of future production and from the long-term officers' compensation by S/235,985,000 and S/16,734,000, respectively (S/247,686,000 and S/16,799,000 as of December 31, 2003, respectively).

Notes to the consolidated financial statements (unaudited) (continued)

- (b) The income tax and workers' profit sharing expenses presented in the consolidated statements of income for the three-month period ended March 31, 2003 and 2004, consists of:

	2003 S/(000)	2004 S/(000)
Workers' profit sharing		
Current	-	1,596
Deferred	39	2,208
	<u>39</u>	<u>3,804</u>
Income tax		
Current	6,518	14,498
Deferred	122	7,714
	<u>6,640</u>	<u>22,212</u>

13. Transactions with affiliated companies

- (a) The Company had the following transactions with its affiliated companies:

Compañía Minera Condesa S.A. ("Condesa") -

For the three-month period ended March 31, 2004, Condesa paid cash dividends to the Company for approximately S/90,591,000.

S.M.R.L. Chaupiloma Dos de Cajamarca ("Chaupiloma") -

Chaupiloma is the legal owner of the mineral rights on the mining concessions exploited by Yanacocha, and receives a 3 percent royalty on the net sales of Yanacocha. For the three-month period ended March 31, 2004, royalties earned amounted to S/33,753,000 (S/25,091,000 for the three-month period ended March 31, 2003) and are presented as royalty income in the consolidated statements of income.

Notes to the consolidated financial statements (unaudited) (continued)

Buenaventura Ingenieros S.A. ("Bisa") -

In March 2002, Buenaventura Ingenieros S.A. signed a technical service agreement with Yanacocha to perform a number of specialized activities and services. Pursuant to the agreement, the services performed will be related to the construction of mining projects and will include completion of analysis and studies, work plan design, and functions related to planning, monitoring and administering the infrastructure projects required by Yanacocha in its operations. This contract will expire on December 31, 2004. The revenues related to this service contract amounted to approximately S/2,050,000 for the three-month period ended March 31, 2004 (S/3,354,000 for the three-month period ended March 31, 2003) and are presented in the caption net sales of the consolidated statements of income.

Consorcio Energético de Huancavelica S.A. ("Conenhua") -

In November 2000, Consorcio Energético de Huancavelica S.A. signed an agreement with Yanacocha for the construction of a 220 KW transmission line between Trujillo and Cajamarca, a 60 KW transmission line between Cajamarca and La Pajuela, and the Cajamarca Norte substation; this agreement also encompassed activities necessary to enlarge the Trujillo substation. The construction work was completed, pursuant to the contract, in October 2001. Concurrently, Yanacocha and the Company signed a 10-year agreement covering electric energy transmission and infrastructure operation beginning November 2001. In exchange for Buenaventura operating and managing the transmission project, Yanacocha will pay an annual fee of US\$3.7 million. The revenues for these services for the three-month period ended March 31, 2004 amounted to approximately S/3,392,000 (S/3,509,000 for the three-month period ended March 31, 2003) is presented in the caption net sales of the consolidated statements of income.

The income originated by transactions between Bisa, Conenhua and Yanacocha are not significant, so they have not been eliminated in the interim consolidated financial statements.

Notes to the consolidated financial statements (unaudited) (continued)

- (b) As a result of the above and other minor transactions, the Company has the following accounts receivable from affiliated companies:

	As of December 31, 2003	As of March 31, 2004
	S/(000)	S/(000)
Minera Yanacocha S.R.L.	36,025	41,659
Minera La Zanja S.R.L.	-	2,395
Other	918	1,175
	<u>36,943</u>	<u>45,229</u>

14. Derivative financial instruments

- (a) Risk of metal price fluctuations -

Buenaventura -

Adoption of IAS 39

Management's intention is to hold derivative instruments to hedge the fluctuations in metal prices; however, the Company does not meet all the criteria stated in IAS 39 to account for the derivative instruments as cash flow hedges. Accordingly, the Company did the following:

- In 2003, recorded a charge to retained earnings of S/448,890,000 in connection with the initial adoption of IAS 39.
- Recognized a gain of S/8,556,000 due to the change in fair value occurred during the three-month period ended March 31, 2004 (S/95,010,000 during the three-month period ended March 31, 2003), which is separately presented in the consolidated statements of income.

In addition, the liability presented in the consolidated balance sheet of S/358,519,000 (S/72,408,000 and S/286,111,000 as current and non-current portions, respectively) corresponds to the fair value of the derivative instruments as of March 31, 2004.

Notes to the consolidated financial statements (unaudited) (continued)

For the three-month period ended March 31, 2004, the Company recognized expenses of S/45,721,000 (S/1,336,000 for three-month period ended March 31, 2003) in connection with: derivative operations settled in this period (S/9,571,000) and the reduction of the Company's hedge book exposure of 120,000 ounces of gold (S/36,150,000). These expenses are included in the caption "realized loss in derivative instruments" of the consolidated statements of income.

Open derivative contracts -

The table below presents details of the commodity derivative contracts outstanding as of March 31, 2004:

Metal	Quantity (ounces)		Collared price range (US\$/Oz)	Period
	Minimum	Maximum		
Gold	142,500 (i)	972,000	316.58 to 353.84	April 2004 - December 2011
Silver	725,000 (ii)	5,450,000	6.00 to 6.15	April 2004 - August 2006

(i) Includes 90,000 and 52,500 ounces at an average price of US\$316.58 per ounce if gold prices are over US\$285.00, per ounce.

(ii) Includes 725,000 ounces at a minimum price of US\$6.00 per ounce, if the silver price is over US\$4.00 per ounce.

Normal sale contracts -

Effective December 30 and 31, 2003, Buenaventura modified the terms of certain derivative instruments contracts in order to qualify them as normal sale contracts.

Notes to the consolidated financial statements (unaudited) (continued)

Under the new terms, Buenaventura is required to physically deliver the same committed ounces of gold required by the terms of the modified contracts at prices ranging from US\$332 to US\$415 per ounce. The fair value of these contracts at the date prior to the modification of terms amounted to S/695,750,000 and was presented as "deferred revenue from sale of future production" in the consolidated balance sheet as of December 31, 2003. This amount will be included in the future results as delivery of the committed ounces of gold occurs.

During the first quarter of 2004, Buenaventura delivered 42,000 ounces of gold as part of the sale contracts above mentioned. As a consequence, Buenaventura recognized a revenue of S/13,920,000 in the caption "realized revenue from sale of future production" in the consolidated statements of income. Buenaventura shows a deferred revenue from sale of future production balance of S/681,830,000 as of March 31, 2004, equivalent to 2,000,000 of committed ounces of gold until 2011 (2,042,000 ounces of committed gold as of December 31, 2003).

El Brocal -

Adoption of IAS 39

The subsidiary El Brocal met all the criteria stated in IAS 39 to account for its derivative instruments as cash flow hedges.

Accordingly, this entity has done the following:

- As of March 31, 2003, recorded a credit to the equity account "unrealized loss in derivative instruments" of S/1,706,000, net of minority interest.
- Recorded a gain of S/458,000, net of minority interest, due to the change in the fair value of the derivative instruments occurred during the three-month period ended March 31, 2004, which is presented in the equity account above mentioned.

In addition, the liability presented in the consolidated balance sheet amounts to S/19,976,000 and corresponds to the fair value of the derivative instruments as of March 31, 2004.

Notes to the consolidated financial statements (unaudited) (continued)

During the first quarter of 2004, the subsidiary El Brocal recognized losses of S/4,709,000 (revenues of S/2,155,000 for the three-month period ended March 31, 2003) in connection with derivative operations settled in this period. These amounts are included in the caption "net sales" of consolidated statements of income.

Open derivative contracts -

The table below presents details of the commodity derivative contracts as of March 31, 2004:

Metal	Quantity	Price	Period
Futures contracts			
Zinc (i)	4,500 MT	US\$915/MT	April 2004 – December 2004
Zinc (ii)	4,500 MT	US\$900/MT	April 2004 – December 2004
Zinc (iii)	4,500 MT	US\$905/MT	April 2004 – December 2004
Zinc	6,000 MT	US\$925/MT	June 2004 – December 2004
Zinc (iv)	3,000 MT	US\$932/MT	June 2004 – December 2004
Silver (v)	225,000 Oz	US\$4.97/Oz	January 2004 – December 2004
Silver	225,000 Oz	US\$5.245/Oz	January 2004 – December 2004

- (i) Only and when the average price of zinc, for an specified month, will be at or below of US\$800/MT, El Brocal will receive, in such month, the market average price plus US\$30/MT. Only and when the average price of zinc, for a specified month, will be at or over US\$970/MT, El Brocal will guarantee the settlement of additional 250 MT, in such month, at a price of US\$900/MT.
- (ii) Only and when the average price of zinc, for an specified month, will be at or below of US\$780/MT, El Brocal will receive, in such month, the market average price plus US\$30/MT. Only and when the average price of zinc, for a specified month, will be at or over of US\$950/MT, El Brocal will guarantee the settlement of additional 250 MT, in such month, at a price of US\$915/MT.

Notes to the consolidated financial statements (unaudited) (continued)

- (iii) Only and when the average price of zinc, for an specified month, will be at or below of US\$778/MT, El Brocal will receive, in such month, the market average price plus US\$30/MT. Only and when the average price of zinc, for an specified month, will be at or over of US\$970/MT, El Brocal will guarantee the settlement additional 250 MT, in such month, at a price of US\$900/MT.
- (iv) The operation applies only and when the market average price of zinc, for any month, will be at or over of US\$800/MT.
- (v) The operation applies only and when the market average price of silver, for any month, will be at or over US\$4.20/Oz.

- (b) Foreign currency exchange risk -
Buenaventura has entered into a forward currency exchange contract for US\$18,717,000, at rates between of S/3.483 and S/3.589 per U.S. dollar, and stated maturities similar to time deposits, see note 3(b). This operation has generated a loss for approximately S/46,000 during the three-month period ended March 31, 2004 (approximately S/819,000 during the three-month period ended March 31, 2003), basically explained for a lower market exchange currency rate compared to the exchange rate at the maturity date during this period.

The fair value of this contract as of March 31, 2004 amounts to S/1,148,000 and is presented as "other current liabilities" in the consolidated balance sheet.

- (c) Interest rate risk -
During the year 2002, El Brocal entered into an interest rate contract that swapped LIBOR for a fixed annual rate of 3.05% on a nominal value of US\$5,500,000; this swap agreement has a stated maturity of September 2006. During the three-month period ended March 31, 2004, this contract generated a loss of approximately S/83,000 basically explained for a lower market LIBOR rate compared to the fixed rate at the maturity rate during this period.

The fair value of this interest rate swap contract was negative by S/296,000 as of March 31, 2004.

Notes to the consolidated financial statements (unaudited) (continued)

15. Basic and diluted earnings per share

The computation of the basic and diluted earnings per share for the three-month period ended March 31, 2003 and 2004 are presented below:

	2003	2004
Net income (numerator)	193,146,000	173,573,000
Shares (denominator)	127,236,219	127,236,219
Basic and diluted earnings per share	S/1.52	S/1.36

The number of shares to be used as the denominator in the calculation of basic and diluted earnings per share for the three-month period ended March 31, 2003 and 2004 was determined as follows:

	2003	2004
Common shares	137,444,962	137,444,962
Investment shares	372,320	372,320
	<u>137,817,282</u>	<u>137,817,282</u>
Less - treasury shares	<u>(10,581,063)</u>	<u>(10,581,063)</u>
	<u>127,236,219</u>	<u>127,236,219</u>

16. Statistical data

Statistical data of the Company related to the volume of inventories sold and average sale prices by product for the three-month period ended March 31, 2003 and 2004 are as follows:

(a) Volumes of sold:

	2003	2004
Gold	76,668 Oz	68,217 Oz
Silver	2,062,064 Oz	3,448,473 Oz
Lead	4,565 MT	7,480 MT
Zinc	13,603 MT	11,834 MT

Translation of consolidated financial statements originally issued in Spanish - See Note 17

Notes to the consolidated financial statements (unaudited) (continued)

(b) Average sale prices by product were:

	2003 US\$	2004 US\$
Gold	349.80/Oz	365.91/Oz
Silver	4.67/Oz	6.21/Oz
Lead	459.45/MT	862.32/MT
Zinc	785.96/MT	1,408.99/MT

17. Explanation added for English language translation

The accompanying interim consolidated financial statements are presented on the basis of accounting principles generally accepted in Peru. Certain accounting practices applied by the Company that conform with generally accepted accounting principles in Peru may differ in certain respects to generally accepted accounting principles in other countries.



COLEGIO DE CONTADORES PÚBLICOS DE LIMA

AV. AREQUIPA 998 Y ALEJANDRO TIRADO 181 - SANTA BEATRIZ - LIMA - FAX: 433-3171
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Constancia de Habilitación

El Decano y el Director Secretario del Colegio de Contadores Públicos de Lima, que suscriben, declaran que en base a los registros de la Institución, se ha verificado que

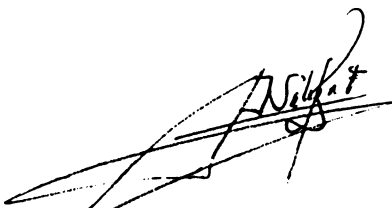
MEDINA, ZALDIVAR, PAREDES & ASOCIADOS SOC. CIV.

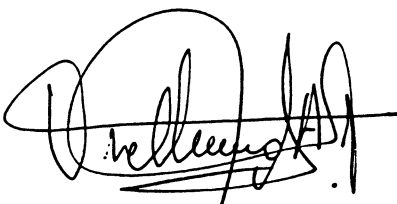
MATRICULA : S0761

FECHA DE COLEGIATURA : 05/11/2002

se encuentra hábil a la fecha para el ejercicio de las funciones profesionales que le faculta la Ley N° 13253, y conforme al Estatuto y Reglamento Interno de este Colegio; en fe de lo cual y a solicitud de parte, se le extiende la presente constancia para los efectos y usos que estime conveniente. Esta constancia tiene vigencia hasta el **31/03/2005**

Lima, **04 de Marzo de 2004**


Angel Roberto Salazar Frisancho
Decano


Juan Carlos Orellano Antúnez
Director Secretario