BEAR CREEK MINING CORPORATION

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 and 2012

EXPRESSED IN US DOLLARS

April 3, 2014

Independent Auditor's Report

To the Shareholders of Bear Creek Mining Corporation

We have audited the accompanying consolidated financial statements of Bear Creek Mining Corporation which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012 and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years ended December 31, 2013 and December 31, 2012, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform our audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Bear Creek Mining Corporation as at December 31, 2013 and December 31, 2012 and its financial performance and its cash flows for the years ended December 31, 2013 and December 31, 2012 in accordance with International Financial Reporting Standards.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

Bear Creek Mining Corporation
(An Exploration Stage Company)
Consolidated Statements of Financial Position
US Dollars (000's)

	Note		December 31, 2013		December 31, 2012
ASSETS					
Current assets					
Cash and cash equivalents	7	**$**	**46,970**	$	64,378
Short-term investments	8		**3,221**		4,067
Receivables and prepaid expenses			**688**		419
			50,879		68,864
Non-current assets					
Equipment and leasehold improvements	9		**294**		334
Resource property costs	10		**77,316**		75,842
TOTAL ASSETS		**$**	**128,489**	$	145,040
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		**$**	**936**	$	1,682
Current portion of other liabilities	11		**1,234**		418
			2,170		2,100
Non-current liabilities					
Other liabilities	11		**1,051**		1,385
Provision for site restoration			**200**		200
			3,421		3,685
EQUITY					
Share capital	12		**264,573**		263,906
Contributed surplus			**28,095**		24,153
Deficit			**(167,600)**		(146,704)
			125,068		141,355
TOTAL LIABILITIES AND EQUITY		**$**	**128,489**	$	145,040

Commitments (Note 15)

ON BEHALF OF THE BOARD:

Signed "Catherine McLeod-Seltzer", Director

Signed "Nolan Watson", Director

Bear Creek Mining Corporation
(An Exploration Stage Company)
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended December 31
US Dollars (000's, except share data)

	Note		2013		2012
Operating expenses					
Corani engineering and evaluation costs	10	**$**	**9,230**	$	14,906
Exploration and evaluation costs	10		**4,789**		6,628
Share-based compensation			**4,178**		6,619
Wages and management salaries			**1,172**		1,562
Professional and advisory fees			**466**		644
Shareholder information and filing fees			**379**		432
General office expenses			**232**		322
Travel			**109**		208
Loss before other items			**20,555**		31,321
Other income and expense					
Foreign exchange loss			**579**		8
Finance income			**(241)**		(323)
Other losses			**3**		6
Loss and Comprehensive Loss for the Year		**$**	**20,896**	$	31,012
Loss per Share – Basic and Diluted		**$**	**0.23**	$	0.34
Weighted Average Number of Shares Outstanding			**92,319,434**		92,187,377

Bear Creek Mining Corporation
(An Exploration Stage Company)

Consolidated Statements of Cash Flows

For the Years Ended December 31
US Dollars (000's)

	Note		2013		2012
Operating Activities					
Loss for the period		$	**(20,896)**	$	(31,012)
Adjustments for:					
Amortization			**64**		126
Loss on investments			**3**		6
Share-based compensation			**4,178**		6,619
Interest income			**(241)**		(323)
Unrealized foreign exchange loss			**560**		(188)
			(16,332)		(24,772)
Changes in current assets and liabilities:					
Receivables and prepaid expenses			**(272)**		272
Accounts payable and accrued liabilities			**155**		(41)
Cash used in operating activities			**(16,449)**		(24,541)
Investing Activities					
Purchase of equipment and leasehold improvements			**(24)**		(65)
Resource acquisition costs	10		**(1,475)**		(1,906)
Payment of Corani obligation	11		**(267)**		(824)
Short-term investments redeemed			**718**		(2,024)
Interest received			**244**		321
Cash used in investing activities			**(804)**		(4,498)
Financing Activities					
Share capital issued – net			**431**		105
Cash provided by financing activities			**431**		105
Effect of exchange rate change on cash and cash equivalents			**(586)**		285
Net Decrease in Cash and Cash Equivalents			**(17,408)**		(28,649)
Cash and cash equivalents – Beginning of Year			**64,378**		93,027
Cash and Cash Equivalents – End of Year		**$**	**46,970**	$	64,378

Bear Creek Mining Corporation
(An Exploration Stage Company)

Consolidated Statements of Changes in Equity

US Dollars (000's, except share data)

	Share Capital (Number of Shares)	Share Capital (Amount)	Contributed Surplus	Deficit	Total
December 31, 2011	**92,161,639**	**$ 263,729**	**$ 17,605**	**$ (115,692)**	**$ 165,642**
Options exercised	60,000	106	-	-	106
Fair value of options exercised	-	71	(71)	-	-
Share-based compensation	-	-	6,619	-	6,619
Net loss for the period	-	-	-	(31,012)	(31,012)
December 31, 2012	**92,221,639**	**$ 263,906**	**$ 24,153**	**$ (146,704)**	**$ 141,355**
Options exercised	365,000	431	-	-	431
Fair value of options exercised	-	236	(236)	-	-
Share-based compensation	-	-	4,178	-	4,178
Net loss for the period	-	-	-	(20,896)	(20,896)
December 31, 2013	**92,586,639**	**$ 264,573**	**$ 28,095**	**$ (167,600)**	**$ 125,068**

1. Nature of Business

Bear Creek Mining Corporation's ("Bear Creek" or the "Company") business is the acquisition, exploration and development of precious and base metal properties in Peru.

Bear Creek is a public company incorporated in British Columbia, Canada with shares listed on the TSX Venture Exchange. The head office, principal address and records office of the Company are located at 625 Howe Street, Suite 1050, Vancouver, British Columbia, Canada, V6C 2T6.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs and development projects will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its exploration commitments, administrative overhead and maintain its mineral interests. The recoverability of amounts shown for resource properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability to complete development of these properties, and future profitable production or proceeds from disposition of mineral properties.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies presented in Note 3 were consistently applied to all periods presented. The Board of Directors approved the consolidated financial statements on April 3, 2014.

3. Summary of Significant Accounting Policies

The significant accounting policies described below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated.

a) Consolidation

The consolidated financial statements include the accounts of the Company's 100%-owned subsidiaries, which include BCMC Corani Holdings Ltd., Bear Creek Mining Inc., Bear Creek (BVI) Limited, Corani Mining Limited, Bear Creek Mining S.A.C., Bear Creek Exploration Company Ltd. and Bear Creek Mining Company Sucursal del Peru, Bear Creek Resources Company Ltd., and INEDE S.A.C. All significant intercompany transactions and balances have been eliminated.

b) Foreign Currencies

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and of all of its subsidiaries is the United States ("US") Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21"). The consolidated financial statements have been presented in US dollars.

Transactions in foreign currencies are translated to the functional currency of the entity at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the period end date exchange rates. Non-monetary items which are measured using historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The Company's presentation currency is the US dollar.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits and other short-term highly liquid investments with the original term to maturity of three months or less.

d) Short-term Investments

Short-term investments are investments which are transitional or current in nature, with an original term to maturity greater than three months but less than one year.

e) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Financial assets and liabilities at fair value through profit or loss: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial instruments held by the Company classified in this category include cash and cash equivalents, and short-term investments.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of income. Gains and losses arising from changes in fair value are presented in the statement of income within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

(ii) Available-for-sale investments: Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are initially measured at fair value with subsequent changes in fair value recognized in other comprehensive income. The Company does not hold any available-for-sale assets.

(iii) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise other receivables, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(v) Financial liabilities at amortized cost: Financial instruments held by the Company and classified in this category include trade payables and accrued liabilities and other liabilities. Trade payables and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables and accrued liabilities are measured at amortized cost using the effective interest method.

The effective interest rate method calculates the amortized cost of a financial instrument and allocates interest income over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial instrument.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

f) Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss during the period they are incurred.

The major categories of equipment and leasehold improvements are depreciated on a straight-line basis as follows:

Exploration and office equipment	10 years
Vehicles	5 years
Leasehold improvements	5 years

The Company allocates the amount initially recognized to each asset's significant components and depreciates each component separately. Residual values, amortization methods and useful lives of the assets are reviewed periodically and adjusted on a prospective basis as required.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss.

g) Resource Property and Exploration Costs

The Company capitalizes the direct costs of acquiring mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Exploration, evaluation costs, and property maintenance costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are expensed as incurred to the date of establishing that property costs are economically recoverable, and that the project is technically feasible and upon receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent upon the Company obtaining necessary permits, and licenses to develop the mineral property. If no economically viable ore body is discovered, previously capitalized costs are expensed in the period that the property is determined to be uneconomical or abandoned. Exploration and evaluation costs include value-added taxes because the recoverability of these amounts is uncertain.

Ownership in mineral properties involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties. The Company has investigated ownership of its mineral properties and, to the best of its knowledge, ownership of its interests are in good standing.

h) Borrowing Costs

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use. Borrowing costs are capitalized when expenditures are incurred and activities are undertaken to acquire an asset or prepare it for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the period. All other borrowing costs are expensed as incurred. Capitalization of borrowing costs is discontinued when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalized borrowing costs will be amortized over the useful life of the related asset.

i) Impairment of Non-financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the statement of loss.

j) Provisions

(i) Decommissioning and restoration provision: Future obligations to retire an asset, including dismantling, remediation and ongoing treatment and monitoring of the site related to normal operations are initially recognized and recorded as a liability based on estimated future cash flows discounted at a pre-tax discount rate which reflects the risks specific to the liability. The decommissioning and restoration provision is adjusted at each reporting period for changes to factors including the expected amount of cash flows required to discharge the liability, the timing of such cash flows and the pre-tax discount rate which reflects the risks specific to the liability.

The liability is also accreted to full value over time through periodic charges to earnings. This unwinding of the discount is charged to financing expense in the statement of loss.

The amount of the decommissioning and restoration provision initially recognized is capitalized as part of the related asset's carrying value and amortized to earnings. The method of amortization follows that of the underlying asset. The costs related to a decommissioning and restoration provision are only capitalized to the extent that the amount meets the definition of an asset and can bring about future economic benefit.

(ii) Other provisions: Provisions are recognized when a current legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate pre-tax rate, risk specific to the liability.

k) Share-Based Compensation

The Company grants stock options to directors, officers, employees and other service providers. Option terms and vesting conditions are at the discretion of the Board of Directors. In general, options are granted for a term of five years with vesting of 25% on the date of grant, 25% six months from the date of grant, 25% one year from the date of grant and 25% eighteen months from the date of grant. The option exercise price is equal to the closing market price on the TSX Venture Exchange on the day preceding the date of grant.

The fair value method of accounting is used for stock-based compensation. Under this method, the cost of stock options and other equity-settled share-based payment arrangements is recorded based on the date of grant estimated fair value of each tranche using the Black-Scholes option pricing model, and charged to earnings over the vesting period. Compensation expense is recognized over the tranche's vesting period based on the number of awards expected to vest. At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of loss, with a corresponding adjustment to equity.

Option pricing models require the input of subjective assumptions including the expected price volatility and the expected option life. Changes in these assumptions can materially affect the estimated fair value of the stock options granted.

l) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

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

Deferred income tax assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

m) Loss per Share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by application of the treasury stock method. Since the Company has losses, the assumed exercise of outstanding stock options has not been included in this calculation as it would be anti-dilutive.

4. Significant Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant areas where judgment is applied include the determination of an entity’s functional currency, the recoverability of mineral property costs, estimated depreciable lives of equipment, inputs used in accounting for share-based compensation and provisions for site restoration. Actual results could differ from these estimates.

Management’s key estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates

Significant assumptions relate to, but are not limited to, the following:

i) *Share-based compensation:* The Company provides compensation benefits to our employees, directors and officers through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of the Company's share price. Historical data is utilized to estimate option exercises and forfeiture behaviour with the valuation model. The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant.

ii) *Impairment of mineral properties:* The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

iii) *Other liability valuation:* The Company has agreements with local landowners and the Municipality of Corani which requires future payments by the Company. The valuation has been based on assumptions regarding the period of time over which the payments will need to be made as well as the timing of the payments.

5. Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee ("IFRIC").

The Company adopted the following new standards effective January 1, 2013:

a) IFRS 7 Disclosures: Offsetting financial assets and financial liabilities (Amendment) has been amended to enhance disclosures for financial assets and requires an entity to disclose information to enable users of its financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. The adoption of this amendment of IFRS 7 did not have any impact on the financial statements of the Company.

b) IFRS 10 Consolidated Financial Statements replaces IAS 27, Consolidated and Separate Financial Statements, and requires all controlled entities to be consolidated based on a single control model, whereby control is defined as the exposure to, or having rights to, returns from its involvement in its investee, and the ability to affect those returns through its power over the investee. The adoption of IFRS 10 did not have any impact on the financial statements of the Company.

c) IFRS 11 Joint Arrangements replaces the existing IAS 31, Joint Ventures. IFRS 11 provides for the accounting of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The Standard also eliminates the option to account for jointly controlled entities using the proportionate consolidation method. The adoption of IFRS 11 did not have any impact on the financial statements of the Company.

d) IFRS 12 Disclosure of Interests in Other Entities provides certain disclosure requirements about subsidiaries, joint ventures and associates, as well as unconsolidated structured entities and replaces existing disclosure requirements. The key features are the requirement to disclose judgements and assumptions made when deciding how to classify involvement with another entity, interests that non-controlling entities have in consolidated entities and the nature of the risks associated with interests in other entities. The adoption of IFRS 12 did not have any impact on the financial statements of the Company.

e) IFRS 13 Fair Value Measurement establishes a single source of guidance for fair value measurements, when fair value is permitted by IFRS. The standard will not affect when fair value is used; it just provides a single framework for measuring fair value. The Standard requires enhanced disclosures when fair value is applied and, in addition, establishes the definition of fair value as the "exit price" and clarifies that the concepts of highest and best use and valuation premise are relevant only for non-financial assets and liabilities. The adoption of IFRS 13 did not have any impact on the financial statements of the Company.

The following new standards and amendments to standards have been issued but are not effective during the year ended December 31, 2013:

f) IFRS 9 Financial Instruments: Classification and Measurement is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: depreciated cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at depreciated cost only if the entity is holding the instrument to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss. This standard has no mandatory effective date. The Company is currently evaluating the impact of this standard.

g) IAS 32 Financial Instruments: Presentation updates the application guidance to clarify some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This is effective for annual periods beginning on or after January 1, 2014. The Standard is not expected to have a significant impact on the Company in its current form.

6. Financial Instruments

Categories of financial instruments

		December 31, 2013 (000's)		December 31, 2012 (000's)
Financial assets				
Held for trading				
Cash and cash equivalents	**$**	**46,970**	$	64,378
Short-term investments		**3,221**		4,067
Loans and receivables				
Receivables		**483**		131
	$	**50,674**	$	68,576
Financial liabilities				
Other financial liabilities				
Accounts payable and accrued liabilities	**$**	**934**	$	1,682
Other liabilities		**2,285**		1,803
	$	**3,219**	$	3,485

a) **Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets and liabilities
Level 2 – Inputs other than quoted prices that are directly or indirectly observable for the asset or liability; and
Level 3 – Inputs that are not based on observable market data.

		December 31, 2013 (000's)		December 31, 2012 (000's)
Level 1				
Short-term investments – common shares	$	**2**	$	5
Level 2				
Cash and cash equivalents	$	**46,970**	$	64,378
Short-term investments - term deposits	$	**3,219**	$	4,062

The carrying values of receivables, accounts payable and accrued liabilities, and current portion of other liabilities approximate their fair value because of the short-term nature of these instruments. The carrying values of other non-current liabilities also approximate their fair value.

b) **Management of financial risk**

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest risk and price risk.

i. Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Peru, Canada and the United States, and a portion of its expenses are incurred in Canadian dollars and Peruvian Soles. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar and the Peruvian Sol to the US dollar could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. At December 31, 2013, the Company is exposed to currency risk through the following assets and liabilities denominated in Canadian dollars and Peruvian Soles:

	December 31, 2013			
		Canadian Dollars (000's)		Peruvian Soles (000's)
Cash and cash equivalents, and short-term investments	$	10,100	$	1,436
Receivables	$	9	$	100
Accounts payable and accrued liabilities	$	(110)	$	(5,069)

Based on the above net exposures as at December 31, 2013, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an increase/decrease of $940,050 in the Company's loss for the period. A 10% depreciation or appreciation of the US dollar against the Peruvian Sol would result in a decrease/increase of $126,333 in the Company's loss for the period.

ii. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and cash equivalents, short-term investments and receivables.

The Company's cash and cash equivalents, and short-term investments are held through large Canadian financial institutions. Short-term investments (including those presented as part of cash and cash equivalents) are composed of financial instruments issued by Canadian banks. These investments mature at various dates over the current operating period.

iii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meets its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its exploration and other operating activities, and its holdings of cash and cash equivalents, and short-term investments. The Company will pursue equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at December 31, 2013, the Company's financial liabilities consist of accounts payable and accrued liabilities and the current portion of other liabilities totalling $2,170,297, which are expected to be paid within 90 days, and the long-term portion of other liabilities of $1,050,880, which are expected to be paid over the next ten years.

iv. Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Based on the amount of cash and cash equivalents invested as at December 31, 2013 and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an increase/decrease of $234,852 in the interest earned by the Company per annum.

7. Cash and Cash Equivalents

		December 31, 2013 (000's)		December 31, 2012 (000's)
Cash	**$**	**3,067**	$	11,063
Guaranteed investment certificate		**5,000**		4,000
Investment savings account		**38,903**		49,315
	$	**46,970**	$	64,378

8. Short-term Investments

		December 31, 2013 (000's)		December 31, 2012 (000's)
Common shares – Magellan Minerals Ltd.	**$**	**2**	$	5
Term deposits		**3,219**		4,062
	$	**3,221**	$	4,067

Term deposits included in short-term investments have maturities of greater than three months, but less than one year, and are redeemable at any time.

9. Equipment and Leasehold Improvements

	December 31, 2013					
		Cost (000's)		**Accumulated Amortization (000's)**		**Net Book Value (000's)**
Exploration Equipment	**$**	**363**	**$**	**156**	**$**	**207**
Vehicles		**335**		**331**		**4**
Office Equipment		**75**		**44**		**31**
Leasehold Improvements		**129**		**77**		**52**
	$	**902**	**$**	**608**	**$**	**294**

	December 31, 2012		
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)
Exploration Equipment	$ 334	$ 122	$ 212
Vehicles	335	327	8
Office Equipment	76	39	37
Leasehold Improvements	129	52	77
	$ 874	$ 540	$ 334

10. Resource Property Costs

	Corani Project (000's)	Carito Project (000's)	Maria Jose Project (000's)	Total (000's)
Balance at December 31, 2011	$ 73,936	$ -	$ -	$ 73,936
Land acquisition costs	1,731	175	-	1,906
Balance at December 31, 2012	$ 75,667	$ 175	$ -	$ 75,842
Land acquisition costs	1,174	-	300	1,474
Balance at December 31, 2013	**$ 76,841**	**$ 175**	**$ 300**	**$ 77,316**

a) Corani Project

The Company has a 100% interest in the project. The Corani project is located in the Department of Puno, Peru.

Corani Exploration and Evaluation Costs:	**Year Ended December 31**	
	2013 (000's)	2012 (000's)
Corani		
Community contributions	**2,451**	1,949
Drilling and assaying	**23**	1,112
Engineering, consulting and geophysics	**1,335**	4,176
Environmental studies	**-**	3,081
Maintenance costs	**162**	22
Salary and consulting	**2,499**	1,562
Supplies and general	**2,713**	1,932
Travel	**47**	1,072
Costs for the Year	**$ 9,230**	$ 14,906

b) Carito Project

On November 5, 2012, the Company entered into an option agreement to purchase 100% of the Carito Project. The Carito Project is located in northern Peru in the Ancash Department. The Company can purchase the project for $7,475,000 payable as follows:

- $175,000 due upon signing the agreement (paid)
- $250,000 due May 5, 2014
- $181,250 due May 5, 2015
- $181,250 due August 5, 2015
- $181,250 due November 5, 2015
- $181,250 due February 5, 2016
- $750,000 due May 5, 2016

- $750,000 due November 5, 2016
- $2,412,500 due May 5, 2017
- $2,412,500 due November 5, 2017

b) Maria Jose Project

On February 27, 2013, the Company entered into an option agreement to purchase 100% of the Maria Jose Prospect for $4,962,406 over a four-year period. The Maria Jose Project is located in northern Peru in the Ancash Department. The initial option payment is $372,180 (paid) and the second payment of $310,150 is due 18 months after the agreement date. An additional payment of $2,605,264 must be made if the deposit shows greater than 1 million ounces of gold in resources as defined by NI 43-101 technical report. There are no royalty provisions under the agreement.

c) Santa Ana Project

In December 2004 the Company acquired an option to earn a 100% interest in the Santa Ana silver property in south eastern Peru. The option was exercised in November 2007.

On June 25, 2011 the Company learned by publication in the Official Gazette “El Peruano” that the Peruvian Government issued Supreme Decree DS-032-2011 (the "2011 Supreme Decree") that reversed Supreme Decree DS-083-2007 issued in 2007, (the "2007 Supreme Decree") which granted the Company the right to acquire title to and operate on the mineral concessions covering the Santa Ana Project within an area 50 kilometers of the Peruvian territorial boundaries. The 2011 Supreme Decree rescinded the Company's rights to operate on the concessions without legal grounds; however, the titles to the concessions continue to be held by the Company. Although the Company believes that the annulment of the 2007 Supreme Decree represents a violation of the Company’s rights, an impairment loss of $0.9 million was recorded against the carrying amount of Santa Ana resource property costs at December 31, 2011 due to the uncertainty and unknown timing of a favourable resolution to this matter.

On July 12, 2011, the Company filed an application for a Constitutional lawsuit in Peru, known as an "Amparo", against the Peruvian Government. The objective of this legal action is to a determination from the Peruvian court that the 2011 Supreme Decree violates the Company’s rights under the Peruvian Constitution and is therefore unlawful. The Company and its Peruvian legal advisors continue to maintain that it has complied with all legal requirements and Environmental and Social Impact Assessment in respect of the Santa Ana Project (the "Santa Ana ESIA") procedures, including public consultations which exceeded the requirements of applicable Peruvian laws. The Company maintains that there was no basis for rescinding the 2007 Supreme Decree which granted the Company title to and the rights to operate on the mineral concessions comprising the Santa Ana Property in full accordance with Peruvian law. The Amparo hearing was held on June 6, 2013 and a decision is still pending.

On September 5, 2011 the Company received notice of a civil lawsuit filed by the Peruvian Ministry of Energy and Mines (the "MEM") against the Company claiming that the titles to its Santa Ana mineral concessions were not acquired in accordance with Peruvian law (the "MEM Civil Suit"). The Company has formally submitted arguments in its defense, and requested the removal of the judge selected to hear the case due to a conflict of interest. In November 2011, the request to seek removal of the judge was accepted by the court. The Company and its Peruvian legal counsel strongly maintain that the grounds of the MEM Civil Suit are without merit. In October 2012, the judge ruled that the civil case was inadmissible because the government’s civil suit improperly comingled administrative and legal arguments.

On February 5, 2013, the Company was informed that the judge had dismissed the MEM Civil Suit. The dismissal was based on technical grounds described previously. The Company was also informed that the MEM appealed the judge's decision to the Peruvian Superior Court. The Peruvian Superior Court issued a decision dismissing the pleadings, as filed by the MEM as to the validity of Santa Ana's titles but allowed certain other claims in the civil case not affecting the validity of Santa Ana's titles to proceed. Based on this decision, the Company initiated a separate amparo action against the Peruvian Superior Court for violation of the Company’s right to due process under the Peruvian Constitution. A decision whether the court will admit the Company’s amparo is pending.

On February 6, 2014, the Company delivered to the Peruvian Minister of Economy and Finance, a Notice of Intent to Submit a Claim to Arbitration ("Notice of Intent"), under the Free Trade Agreement between Canada and Peru

("Canada-Peru FTA"). The dispute arises out of, among other things, the enactment by the Peruvian Government on June 25, 2011, of the 2011 Supreme Decree which rescinded the Company's rights to operate the Santa Ana Project and which resulted in a complete stoppage of activities at Santa Ana and significant damages to the Company. Peru's actions constitute violations of the Canada-Peru FTA, Peruvian and international law. The Notice of Intent is necessary in order to preserve the Company's rights to initiate arbitration should a resolution with the Peruvian Government not be reached. The filing of the Notice of Intent also initiates a six-month consultation period (which expires on August 6, 2014) during which time the parties are to continue to attempt to amicably settle the dispute. If no amicable settlement is reached in that six-month period, the Company may then initiate international arbitration proceedings against Peru in accordance with the Canada-Peru FTA.

d) La Yegua Project

The La Yegua gold-copper prospect is located in southern Peru and was acquired by staking of mineral rights in 2004. In 2010 the Company entered into an agreement with Japan Oil, Gas and Metals National Corporation ("JOGMEC") that provides for JOGMEC to earn a 51% interest in the project by funding $3 million of qualified expenditures by September 30, 2014. Approximately $2.1 million of qualified expenditures have been incurred by JOGMEC as of December 31, 2013.

e) Sumi Project

The Sumi gold-silver prospect is located in southern Peru and was acquired by staking the mineral concessions in 2011. The Company has a 100% interest in the project.

Other exploration and evaluation costs for the years ended December 31, 2013 and 2012 are as follows:

Exploration and Evaluation Costs:	**Year Ended December 31**	
	2013 (000's)	2012 (000's)
Carito		
Community contributions	**$ 18**	$ -
Geophysics	**66**	-
Maintenance costs	**25**	-
Salary and consulting	**155**	-
Supplies and general	**338**	-
	602	-
Maria Jose		
Community contributions	**37**	-
Geophysics	**10**	-
Maintenance costs	**51**	-
Salary and consulting	**339**	-
Supplies and general	**502**	-
	939	-
Santa Ana		
Community contributions	**21**	-
Maintenance costs	**32**	17
Professional fees	**265**	75
Salary and consulting	**130**	239
Supplies and general	**59**	158
	507	489
La Yegua		
Community contributions	**38**	-
Drilling and assaying	**157**	4
Geophysics	**22**	-
Maintenance costs	**51**	13
Salary and consulting	**187**	125
Supplies and general	**481**	98
Recovery of costs	**(990)**	(318)
	(54)	(78)
Generative		
Assaying and sampling	**84**	83
Community contributions	**26**	-
Maintenance costs	**53**	41
Salary and consulting	**933**	730
Supplies and general	**145**	182
Travel	**232**	284
	1,473	1,320
Other Properties	**157**	2,787
Value added tax	**1,165**	2,110
Costs for the Year	**$ 4,789**	$ 6,628

11. Other Liabilities

The Company has entered into land purchase agreements with local landowners for surface rights access to the Corani project as well as an agreement to provide the Municipality of Corani with funding for the construction of schools and other improvements to the community as determined by the Municipality of Corani. The total amount owed under the agreements was approximately $2,633,000 of which $1,082,321 was paid as of December 31, 2013. All of the land purchase amounts have been capitalized as mineral properties. All community contributions have been expensed.

		(000's)
Total other liabilities per agreement as of December 31, 2012	$	2,633
Less: payments to December 31, 2012		(815)
Foreign exchange gain		(15)
Other liabilities – December 31, 2012	$	1,803
Addition of community obligation per agreement (Note 15(c))		900
Less: payments		(267)
Foreign exchange gain		(151)
Balance as of December 31, 2013	$	2,285
Less: current portion of other liabilities		**(1,234)**
Other liabilities – December 31, 2013	**$**	**1,051**

12. Capital

Authorized share capital

Unlimited number of common shares without par value

Share Purchase Options

The Company has established a share purchase option plan whereby the Board of Directors may, from time to time, grant options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from the date of grant or such lesser period as determined by the Company's Board of Directors. The exercise price of an option is determined by the Board of Directors, but it cannot be less than the closing price on the TSX Venture Exchange on the trading date preceding the date of grant, less the maximum discount permitted under TSX policies applicable to share purchase options. Vesting terms for each grant are also set by the Board of Directors. The option plan provides that the aggregate number of shares reserved for issuance under the plan which may be made subject to options at any time and from time to time (including those issuable upon the exercise of pre-existing options) shall not exceed 10% of the total number of issued and outstanding shares, on a non-diluted basis, as constituted on the grant date of such options. At December 31, 2013, a total of 1,771,264 options were reserved under the option plan with 7,487,400 options outstanding.

During the year ended December 31, 2013, 365,000 options with a fair value of $235,620 were exercised for proceeds of $431,075.

a) Movements in share options during the period

The changes in share options during the years ended December 31, 2013 and 2012 were as follows:

	December 31, 2013		December 31, 2012	
	Number of options	**Weighted average exercise price (in CDN$)**	Number of options	Weighted average exercise price (in CDN$)
Options outstanding, beginning of the period	5,877,700	4.64	3,440,500	5.97
Granted	2,178,000	3.09	3,052,200	3.70
Exercised	(365,000)	1.24	(60,000)	1.79
Expired	(150,000)	4.95	(445,000)	7.99
Forfeited	(53,300)	3.73	(18,000)	3.73
Cancelled	-	-	(92,000)	8.86
Options outstanding, end of the period	**7,487,400**	**4.36**	**5,877,700**	**4.64**

b) Fair value of share options granted

During the year ended December 31, 2013, the Company granted options to directors, officers, and employees to purchase up to 2,178,800 common shares of the Company at a weighted exercise price of CDN$3.09 per share. The weighted estimated fair value of the stock options granted during the year ended December 31, 2013 was $1.69 using the Black-Scholes option pricing model.

During the year ended December 31, 2012, the Company granted options to directors, officers and employees to purchase up to 3,052,200 common shares of the Company at a weighted average exercise price of CDN$3.70 per share. The options vest over a period of 18 months from the date of grant and expire five years from the date of grant.

	2013	2012
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**72.10%**	79.42%
Risk-free interest rate	**1.44%**	1.27%
Expected life of options	**4.1 years**	3.8 years
Grant date fair value	**$1.69**	$2.10

c) Share options outstanding at the end of the period

A summary of the Company's options outstanding as at December 31, 2013 is as follows:

Options Outstanding	Options Exercisable	**Price per Share**	**Remaining contractual life (years)**	**Expiry Date**
470,500	470,500	CDN$1.24	0.07	January 27, 2014*
50,000	50,000	CDN$1.90	0.63	August 18, 2014
150,000	150,000	CDN$4.00	0.79	October 14, 2014
240,000	240,000	CDN$4.12	1.18	March 8, 2015
90,000	90,000	CDN$8.80	1.90	November 23, 2015
75,000	75,000	CDN$9.95	1.93	December 6, 2015
120,000	120,000	CDN$8.30	2.09	February 1, 2016
818,000	818,000	CDN$10.77	2.23	March 23, 2016
340,000	340,000	CDN$4.01	2.67	September 2, 2016
75,000	75,000	CDN$3.67	3.01	January 4, 2017
2,479,900	2,479,900	CDN$3.73	3.07	January 23, 2017
16,000	16,000	CDN$3.64	3.26	April 3, 2017
30,000	30,000	CDN$2.71	3.45	June 11, 2017
355,000	266,250	CDN$3.55	3.88	November 15, 2017
1,928,000	964,000	CDN$3.25	4.10	February 6, 2018
250,000	62,500	CDN$1.85	4.59	August 2, 2018
7,487,400	**6,247,150**		**2.96**	

* Subsequent to the year end, all of these options were exercised.

The weighted average exercise price of exercisable options at December 31, 2013 is CDN$4.62.

13. Related Party Transactions

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of the transactions between the Company and other related parties are disclosed below.

a) Trading transactions

Certain of the Company's officers and directors render services to the Company as sole proprietors or through companies in which they are an officer, director or partner.

	Nature of transactions
DuMoulin Black LLP	Legal fees
Estudio Grau S.C.R.L.	Legal fees
Avisar Chartered Accountants (effective May 7, 2012)	Accounting fees

The Company incurred the following fees and expenses in the normal course of operations in connection with related parties:

		Year ended December 31		
		2013 (000's)		2012 (000's)
Legal fees	**$**	**288**	$	341
Accounting fees		**171**		115
	$	**459**	$	456

Transactions with related parties for goods and services are made on commercial terms. Amounts due to related parties are unsecured, non-interest bearing and due on demand. Accounts payable at December 31, 2013 included $19,879 (December 31, 2012 - $35,407) which were due to individuals or companies whose officers, directors or partners were also officers or directors of the Company.

b) Compensation of key management personnel

The remuneration of the directors, chief executive officer, president and chief operating officer, chief financial officer and vice president of operations (collectively, the key management personnel) during the year ended December 31, 2013 and 2012 were as follows:

	Note		Year ended December 31		
			2013 (000's)		2012 (000's)
Salaries and directors' fees	(i) (ii)	**$**	**673**	$	980
Share-based compensation	(i)		**3,714**		4,770
		$	**4,387**	$	5,750

(i) Share-based compensation represents the non-cash expense for the years ended December 31, 2013 and 2012, translated at the grant date foreign exchange rate.
(ii) Salaries and directors' fees include the salary of the previous CFO who resigned on May 6, 2012. Subsequent to this, CFO consulting fees were included in the accounting fees.
(iii) Key management personnel were not paid post-employment benefits, termination benefits, or other long-term benefits during the years ended December 31, 2013 and 2012.

14. Segmented Information

The Company's business consists of a single reportable segment being mineral exploration and development. Details on a geographic basis are as follows:

Total Assets		**December 31, 2013 (000's)**		December 31, 2012 (000's)
Peru	**$**	**79,743**	$	76,514
Canada		**48,732**		68,492
United States		**14**		34
	$	**128,489**	$	145,040

Net Loss (Income)		Year ended December 31, 2013 (000's)		Year ended December 31, 2012 (000's)
Peru	$	13,909	$	21,887
Canada		7,022		9,144
United States		(35)		(19)
	$	20,896	$	31,012

15. Commitments

a) The Company entered into an operating lease for office space commencing January 2012 through December 2014. The total minimum lease payments are $4 thousand per month.

b) The Company entered into an operating lease for office space commencing December 2010 through December 2013. The total minimum lease payments are $8 thousand per month.

c) On April 8, 2013 the Company entered into a *Framework Agreement for the Sustainable Use of Natural Resources in the Mining Project Corani* with the Corani District Municipality and the five communities contained within the District Municipality: Chacaconiza, Quelcaya, Isivilla, Corani-Aconsaya and Aymana. Under the agreement, annual payments of S/. 4 million (approximately $1.6 million) over the 23 year project life are to be made into a trust designed to fund community projects. The first two payments of S/. 1.332 million each were dependent on the Company obtaining the Environmental and Social Impact Assessment approval which was received in September 2013. As of December 31, 2013, $ 0.1 million of these initial two payments had been made. The remaining liability has been estimated to be $900,000 and has been included in the current portion of the other liabilities (Note 11). The remaining payment of S/. 1.336 million and the ongoing payments of S/. 4 million per year are dependent on receiving the permit for the construction of the processing facilities and the mining installations.

16. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

		Year ended December 31, 2013 (000's)		Year ended December 31, 2012 (000's)
Loss before income taxes	$	(20,896)	$	(31,012)
Canadian federal and provincial income tax rates		25.5%		25.0%
Income tax recovery based on the above rates		(5,328)		(7,753)
Non-deductible expenses		789		2,499
Effect of change in Canadian and foreign tax rates		(739)		(959)
Tax losses expired during the year		468		615
Tax effect of tax losses and temporary differences not recognized		4,810		5,598
Total income tax expense	$	-	$	-

The Canadian Federal and Provincial statutory income tax rate increased to 25.5% due to legislated changes. The components of unrecognized deferred income taxes are as follows:

		December 31, 2013 (000's)		December 31, 2012 (000's)
Deferred income tax assets:				
Non-capital losses	**$**	**7,949**	$	7,419
Share issue costs and other		**4,492**		4,061
Property plant and equipment		**348**		30
Resource properties costs		**20,316**		19,142
Total unrecognized deferred tax assets	**$**	**33,105**	$	30,652
Deferred income tax liabilities		**Nil**		Nil

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

Deductible temporary differences, unused tax losses and unused tax credits:

	December 31, 2013 (000's)	December 31, 2012 (000's)	Expiry date range
Non-capital losses	29,941	25,690	See below
Share issue costs and other	18,314	13,856	December 31, 2014
Property plant and equipment	1,165	386	Not applicable
Resource properties	67,854	64,886	Not applicable

At December 31, 2013, the Company has non-capital losses available for carry forward of approximately $29,940,593 which may be applied to reduce future year's taxable income. The loss carry-forwards are in respect of Canadian, and Peruvian operations and expire as follows:

	Canada (CAD – 000's)	Peru (Soles – 000's)
2014	673	3
2015	725	-
2016	-	1,778
2017	-	9,681
2026	553	-
2027	2,581	-
2028	1,871	-
2029	2,446	-
2030	4,146	-
2031	2,912	-
2032	7,395	-
2033	4,182	-
	27,484	11,462

A full valuation allowance has been recorded against the net potential deferred income tax assets associated with the Canadian and Peruvian loss carry-forwards and certain other deductible temporary differences as their utilization is not considered probable at this time.