

SOUTHERN PERU COPPER CORP/  
Form 10-K/A  
February 25, 2005

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

## 2003 FORM 10-K/A

(Amendment No. 3)

### ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

Commission File Number: 1-14066

## SOUTHERN PERU COPPER CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**13-3849074**

(I.R.S. Employer Identification No.)

**2575 East Camelback Rd. Phoenix, AZ**

(Address of principal executive offices)

**85016**

(Zip code)

Registrant's telephone number, including area code: **(602) 977-6500**

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Name of each exchange on which registered</b>
Common Stock, par value \$0.01 per share	New York Stock Exchange Lima Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best knowledge of the registrant, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment of this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Act of 1934). Yes  No

As of February 29, 2004, there were of record 14,113,552 shares of Common Stock, par value \$0.01 per share, outstanding, and the aggregate market value of the shares of Common Stock (based upon the closing price on such date as reported on the New York Stock Exchange - Composite Transactions) of Southern Peru Copper Corporation held by non affiliates was approximately \$533 million. As of the above date, there were also 65,900,833 shares of Class A Common Stock, par value \$0.01 per share, outstanding. Class A Common Stock is convertible on a one-to-one basis into Common Stock.

PORTIONS OF THE FOLLOWING DOCUMENTS ARE INCORPORATED BY REFERENCE:

Part III: Proxy statement in connection with the 2004 Annual Meeting of Stockholders.

Part IV: Exhibit index is on page B1 through B2.

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Southern Peru Copper Corporation

FORM 10 K/A

For the Year Ended December 31, 2003

Explanatory Note

This amendment on Form 10-K/A is being filed to amend the Annual Report on Form 10-K of Southern Peru Copper Corporation for the fiscal year ended December 31, 2003, originally filed with the Securities and Exchange Commission on March 12, 2004 and amended on Form 10-K/A on April 14, 2004 and June 25, 2004. The purpose of this amendment is to amend portions of Item 1, Item 2, Item 7 and Item 8 of our Form 10-K. While we are amending only certain portions of our Form 10-K, for convenience and ease of reference, we are filing the entire Form 10-K, except for the exhibits, in an amended and restated format. Unless stated otherwise, all information contained in this amendment is as of December 31, 2003. We have not updated the disclosure contained in our Form 10-K to reflect any events that have occurred since that date.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned thereunto duly authorized.

Southern Peru Copper Corporation  
By: /s/ Oscar González Rocha  
Oscar González Rocha  
President and Chief Executive Officer

Dated: February 25, 2005

PART I

Item 1. Business

THE COMPANY

The Company, an integrated producer of copper, operates mining, smelting and refining facilities in the southern part of Peru.

The Company, incorporated in 1952 was reorganized in 1955, 1996 and 1998 and has conducted copper mining operations since 1960. Pursuant to Peruvian law, the Company conducts its operations in Peru through a registered branch (the Peruvian Branch or the Branch ). The Branch is not a corporation separate from the Company. It is, however, an establishment, registered pursuant to Peruvian law, through which the Company holds assets, incurs liabilities and conducts operations in Peru. Although it has neither its own capital nor liability separate from that of the Company, it is deemed to have an equity capital for purposes of determining the economic interest of holders of Investment Shares. Investment Shares are non-voting ownership interests distributed to workers in accordance with former Peruvian laws. The Branch comprises substantially all the assets and liabilities of the Company associated with its copper operations in Peru.

Throughout this report, unless the context otherwise requires, the terms Southern Peru , SPCC and the Company refer to the present corporation and its consolidated subsidiaries. In addition, throughout this report, unless otherwise noted, all tonnages are in metric tons. To convert to short tons, multiply by 1.102. All distances are in kilometers. To convert to miles, multiply by 0.62137. All ounces are troy ounces.

On November 15, 1999, ASARCO Incorporated ( ASARCO ) transferred all of the stock of SPCC owned by it to Southern Peru Holdings Corporation, a wholly owned subsidiary of ASARCO. On November 17, 1999, Grupo México S.A. de C.V. ( Grupo Mexico ) acquired substantially all of the stock of ASARCO following a tender offer and purchase of all outstanding common stock of ASARCO.

On March 31, 2003, Southern Peru Holdings Corporation sold all its stock in the Company to Americas Mining Corporation ( AMC ), the parent of ASARCO. Immediately after the transaction, the shares were transferred to SPHC II Incorporated, a subsidiary of AMC, and were pledged to a group of financial institutions. Pursuant to a financing agreement, AMC has agreed to comply with financial covenants, involving SPCC, including covenants requiring the maintenance of minimum stockholders equity, specific debt to equity ratios and interest rate coverage ratios.

At December 31, 2003 the stockholders of record in the Company were SPHC II Incorporated, a subsidiary of Grupo Mexico (54.2%), Cerro Trading Company, Inc. (14.2%), Phelps Dodge Overseas Capital Corporation (14.0%) and common stockholders (17.6%).

CAUTIONARY STATEMENT

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Forward-looking statements in this report and in other Company statements include statements regarding expected commencement dates of mining or metal production operations, projected quantities of future metal production, anticipated production rates, operating efficiencies, costs and expenditures as well as projected demand or supply for the Company's products. Actual results could differ materially depending upon factors including the risks and uncertainties relating to general U.S. and international economic and political conditions, the cyclical and volatile prices of copper, other commodities and supplies, including fuel and electricity, availability of materials, insurance coverage, equipment, required permits or approvals and financing, the occurrence of unusual weather or operating conditions, lower than expected ore grades, water and geological problems, the failure of equipment or processes to operate in accordance with specifications, failure to obtain financial assurance to meet

closure and remediation obligations, labor relations, litigation and environmental risks, as well as political and economic risk associated with foreign operations. Results of operations are directly affected by metals prices on commodity exchanges, which can be volatile.

Additional business information follows:

## COPPER BUSINESS

The copper operations of the Company involve mining, milling and flotation of copper ore to produce copper concentrates, the smelting of copper concentrates to produce blister copper and the refining of blister copper to produce copper cathodes.

The Company also produces refined copper using the solvent extraction/electrowinning ( SX/EW ) technology. Silver, molybdenum and small amounts of other metals are contained in copper ore as by-products. Silver sold is recovered in the refining process or as an element of blister copper. Molybdenum is recovered from copper concentrate in a molybdenum by-product plant.

Business Reporting Segments: The Company's operations are within one reportable segment.

## REVIEW OF OPERATIONS

SPCC operates the Toquepala and Cuajone mines, high in the Andes, approximately 984 kilometers southeast of Lima. It also operates a smelter and refinery west of the mines at the Pacific Ocean Coast City of Ilo, Peru. SPCC is one of the largest mining companies in Peru and one of the 10 largest private sector copper mining companies in the world.

## PRODUCTS

The copper operations of the Company involve mining, milling and flotation of copper ore to produce copper concentrates, the smelting of copper concentrates to produce blister copper, and the refining of blister copper to produce copper cathodes. The Company also produces refined copper using the SX/EW technology. Molybdenum, silver, and small amounts of other metals are contained in copper ore as by-products. Silver sold is recovered in the refining process or as an element of blister copper. Molybdenum is recovered from copper concentrate in a molybdenum by-product plant.

## COPPER AND MOLYBDENUM PRODUCTION PROCESS

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The process of producing copper starts at the open pit mines of Toquepala and Cuajone. The first step is drilling and blasting (using explosives) the rock material containing copper. Ore is loaded onto trucks using electric shovels. Material with a copper grade over 0.4% is loaded onto rail cars and sent to the milling circuit, where giant rotating crushers reduce the size of the rocks to less than  $\frac{3}{4}$  of an inch. The ore is then sent to the ball and bar mills, which grind it to the consistency of fine powder. The finely ground powder is agitated in a water and reagents solution and is then transported to flotation cells. Air is pumped into the cells producing a froth, which carries the copper mineral to the surface but not the waste rock. The waste rock is called tailings. Tailings are sent to thickeners where water is recovered. The remaining tailings are sent to Quebrada Honda, the Company's tailings storage facility.

The bulk concentrated copper (copper and molybdenum) is processed in the molybdenum plant which is floated in the Rougher circuit. The underflow of this circuit constitutes the final copper concentrates. The overflow is processed in cleaning cells, flotation in Agitair cells and columnar flotation. The final molybdenum concentrate is overrated to enlarge the percentage of solid, then the product is filtered and dried; finally, is packaged and weighed for its delivery. The produced molybdenum concentrates has 54% to 55% molybdenum content with a 7.5% average humidity.

Recovered copper, which now has the consistency of froth, is filtered and dried to produce copper concentrates, with an average content of 27% copper. Concentrates from both mines are then shipped by rail to the smelter at Ilo, in the Pacific coast.

At the smelter, the concentrates are blended with flux, and then sent to the reverberatory furnaces and the El Teniente converter, producing copper matte and slag (basically iron and other impurities). Copper matte contains approximately 35% copper and the matte of the El Teniente converter contains approximately 73% copper. Copper matte is then sent to the converters, where the material is oxidized in two steps:

- a) the iron sulfides in the matte are oxidized using silica, producing a slag, which is returned to the reverberatory furnaces,
- b) the copper contained in the matte sulfides is then oxidized to produce copper that, after casting, is called blister copper, containing 99.3% copper. Some of the blister production is sold to customers; the remainder is sent to the refinery.

Blister copper is smelted again in a furnace, to produce copper anodes with a content of 99.8% copper. Anodes are then suspended in tanks containing sulfuric acid and copper sulfate. A low electrical current is passed through the anodes and chemical solution and the dissolved copper is deposited on very thin copper starting sheets to produce copper cathodes. Copper cathodes contain approximately 99.99% copper. During this process, silver, gold, and other metals (palladium, platinum, selenium, etc.) along with other impurities settle on the bottom of the tank. The anodic mud (slime) is processed at the precious metal plant where silver and gold are recovered.

The Company also produces low cost refined copper, using SX-EW technology. During the SX-EW process, low-grade mineral is leached with sulfuric acid to allow for copper content recovery. The acid and copper solution is then agitated with a solvent that contains chemical additives, which attract copper ions. As the solvent is lighter than water, it floats to the surface carrying with it the copper content. The solvent is then separated using an acid solution, freeing the copper. The acid solution with the copper is then moved to the electrolytic extraction tanks, where copper is transformed to cathodes, similarly to the refining process carried out at the Ilo refinery.

## OVERVIEW

Mine copper production for the full-year 2003 increased 8.1% to 826 million pounds. In addition, the Company processed 6.7 million pounds of copper from purchased concentrates compared with 66 million pounds in 2002. The increase in SPCC production was principally due to the higher Toquepala concentrator capacity and higher Cuajone ore grade and copper recovery at the Cuajone concentrator. SX/EW copper production decreased by 11.2 million pounds, because of lower grades of PLS (Pregnant Leaching Solution).

The Toquepala concentrator expansion and modernization project was completed in September 2002, with an investment of \$68.1 million out of an approved budget of \$69.5 million. With the completion of this project the Toquepala concentrator milling capacity increased from 45,000 tons per day to 60,000 tons per day. This increased production now gives SPCC the ability to fill the Ilo smelter with its own concentrate production.

In 2003, the Ilo smelter processed 1.18 million tons of concentrates, the same as in 2002. Improved operations at the Ilo refinery increased cathodes production by 0.8% to 626.1 million pounds, a new production record at this facility.

In July 2003, the Company awarded a contract to provide the technology and basic engineering for the expansion and modernization of Ilo smelter to Fluor/Xstrata. The selected proposal meets with SPCC's requirements, which are the use of proven technology (the ISASMELT from Australia) and compliance with the current environmental regulations. It is estimated that the construction of the project will be completed before January 2007, the deadline established in the Company's agreement with the Peruvian government.



## MINING OPERATIONS

Total mined copper production at SPCC's Toquepala and Cuajone mines increased 11.3% in 2003, compared with 2002, due to higher production at both mines.

Cuajone production increased 9.7% in 2003 to 406.8 million pounds of copper due principally to higher ore grades and better recovery. The Cuajone concentrator throughput for the year was 29.8 million tons of ore resulting in the production of 710 thousand tons of copper concentrates.

Toquepala mine production increased 13.5% in 2003 to 313.9 million pounds of copper due to increased throughput in the year. The Toquepala concentrator, with its capacity expansion completed in September 2002, milled 21.2 million tons of ore. Together, the two mines produced 4.3 million ounces of silver and 19.9 million pounds of molybdenum as by-products.

## SX/EW OPERATIONS

The SX/EW facility at Toquepala produces refined copper from solutions obtained by leaching low-grade ore stored at the Toquepala and Cuajone mines. The facility produced 105.3 million pounds of copper in 2003 compared to 116.5 million pounds in 2002, a decrease of 11.2 million pounds of copper. The decrease is mainly due to lower grades of PLS (Pregnant Leaching Solution).

In 2003, the Board of Directors approved a leach dump project at Toquepala. The project includes the installation of a crushing, conveying and spreading system at the Toquepala leach dumps. The project is estimated to be completed in mid-2005 at a budgeted cost of \$69.7 million. As of December 31, 2003 \$2.2 million has been expended on this project. The project is expected to reduce to production costs for SPCC's leaching facilities and will largely eliminate costly truck haulage in the process.

## ORE RESERVES

SPCC has identified substantial geologic resources. In 1999, the Company reported a substantial increase in proven and probable ore reserves at the Toquepala mine. At year-end 2003, probable concentrator reserves totaled 619.6 million tons with an average copper grade of 0.74% at Toquepala and 1,123.3 million tons with an average copper grade of 0.64% at Cuajone. In addition, the Company has a total of 1,791 million tons of leachable ore at Toquepala and Cuajone that can be processed by the SX/EW operation.

## SMELTING AND REFINING OPERATIONS

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The Ilo smelter processed 1.18 million tons of concentrates, the same as in 2002. Smelting of SPCC concentrates increased by 8.0%, while smelting of third party concentrates decreased by 87,639 tons. As a result, blister production decreased to 314,900 tons in 2003, compared to 316,500 tons in 2002.

SPCC's total refined copper production decreased 0.8% to 731.4 million pounds in 2003 from 737.5 million pounds in 2002. Refined production from the Ilo refinery reached 626.1 million pounds in 2003, an increase of 0.8% from 2002 due to current efficiency gains at the plant. Production from the SX/EW plant decreased to 105.3 million pounds of copper, a 9.7% decrease from the prior year due to lower PLS grades.

SPCC's Ilo smelter provides feed for the refinery. Blister copper produced by the smelter exceeds the refinery's capacity and the excess is sold to other refineries around the world.

### EXPANSION AND MODERNIZATION PROGRAM

For a description of the Company's Expansion and Modernization Program see [Expansion and Modernization Program](#) on page 18.

## EXPLORATION

During 2003, the Company continued with its drilling program at the Los Chancas project. Diamond drilling of 27,908 meters was completed out of the 27,000 meters projected. A second and final phase of metallurgical tests is in process, results indicate resources of 200 million tons, with a copper ore grade of 1.0%, 0.07% molybdenum and 0.12 grams of gold per ton. These results do not represent resources that have been determined to be proven or probable. This project is in its final stage. During 2004 a pre-feasibility study will be initiated in order to complete the information and determine the final resource.

During 2003 the Company performed hydrological and evaluation studies for the Tantauatay project to prepare for the pre-feasibility work for gold recovery. Total indicated resources are 27.1 million tons, with an average content of 0.89 grams of gold per ton and 13.0 grams of silver per ton. These results do not represent resources that have been determined to be proven or probable. SPCC has a 44.245% interest in the Tantauatay project.

The Company's extensive exploration program throughout Peru continued in 2003. During 2003 a diamond-drilling program of 11,265 meters was completed out of the 15,000 meters planned, to identify resources of copper and gold. This program has been executed at the Arampal prospect (3,198 meters), the Pucay prospect (3,186 meters) and the Tía María Project (4,881 meters).

In 2003 the Company acquired several Chilean exploration properties from an affiliate. The acquisitions are part of the Company's strategy to increase ore reserves through exploration in Latin American countries other than Peru. The properties, containing over 35,000 hectares of mining rights, show potential for copper, gold and silver and will be extensively tested during 2004.

Currently, the Company has direct control of 158,377 hectares of mineral rights and has control over 20,454 hectares of mineral rights through joint ventures with other companies.

## PRINCIPAL PRODUCTS AND MARKETS

The principal uses of copper are in the building and construction industry, electrical and electronic products and, to a lesser extent, industrial machinery and equipment, consumer products and the automotive and transportation industries. Silver is used for photographic, electrical and electronic products and, to a lesser extent, brazing alloys and solder, jewelry, coinage, silverware and catalysts. Molybdenum is used to toughen alloy steels and soften tungsten alloy and is also used in fertilizers, dyes, enamels and reagents.

During 2003, 2002 and 2001, substantially all of the Company's copper production was exported from Peru and sold to customers in Europe, the Far East, the United States and elsewhere in the Americas. Approximately, 96.2%, 95.6% and 95.5% of the Company's copper production for the years 2003, 2002 and 2001, respectively, was exported from Peru. A substantial portion of SPCC's copper sales are made under annual contracts to industrial users. Silver is sold under annual contracts or in market sales and molybdenum is sold in concentrate form to merchants and other refiners under annual contracts. Most customers receive shipments on a monthly basis at a constant volume throughout the year. As a result, there is little seasonality in SPCC sales volumes.

BACKLOG OF ORDERS

Approximately 90%, 93% and 94% of the Company's metal production for the years 2003, 2002 and 2001, respectively, was sold under annual or longer-term contracts. To the extent not sold under annual contracts, production was sold on commodity exchanges or in market sales. Final sales prices are determined based on prevailing commodity prices

for the quotation period, generally being the month of, the month prior to or the month following the actual or contractual month of shipment or delivery according to the terms of the contract.

#### COMPETITIVE CONDITIONS

Competition in the copper market is principally on a price and service basis, with price being the most important consideration when supplies of copper are ample. The Company's products compete with other materials, including aluminum and plastics.

#### EMPLOYEES

At December 31, 2003 the Company employed 3,566 persons, about 58% of whom were covered by labor agreements with nine labor unions. There were no labor strikes in 2003. There were fourteen days of labor strikes in the fourth quarter of 2002 in the Toquepala area.

#### ENERGY MATTERS AND WATER RESOURCES

Electric power for the Company's operating facilities is generated by two thermal electric plants owned and operated by Enersur S.A., one located adjacent to the Ilo smelter (diesel and waste heat boilers plant) and the other to the south of the port of Ilo (coal plant).

Power generation capacity is currently 344 megawatts. In addition, the Company has 9 megawatts of power generation capacity from two small hydro-generating installations at Cuajone. Power is distributed over a 224-kilometer closed loop transmission circuit.

In 1997, the Company sold its Ilo power plant to Enersur S.A. and entered into a 20-year power purchase agreement. The power purchase agreement contained provisions obligating Enersur S.A. to construct additional capacity upon notice to meet the Company's increased electricity requirements from the planned expansion and modernization. The parties also entered into an agreement for the sharing of certain services between the power plant and the Company's smelter at Ilo. Under this agreement, the Company's cost of power increased somewhat from its 1996 level, but the Company has benefited by avoiding significant capital expenditures thought then to be required to meet the needs of the expanded operations.

In March 2003, the Company agreed to amend the power purchase agreement, resolving certain issues that arose between the parties and reducing power costs for the remaining life of the agreement. A new contract, documenting this agreement, was executed in June 2003. The new agreement releases Enersur S.A. from the obligation to construct additional capacity upon notice to meet the Company's increased electricity requirements from the expansion and modernization program. The Company made a one-time contractual payment to Enersur S.A. of \$4.0 million in the second quarter of 2003 associated with the termination of the original power purchase agreement. SPCC believes it can satisfy the need for increased electricity requirements from other sources, including local power providers.

SPCC has water concessions for well fields at Huaitire and Titijones and surface water rights from the Suches Lake, which are sufficient to supply the needs of its two operating units, Toquepala and Cuajone. At Ilo, the Company has desalinization plants that produce water for industrial and domestic use.

#### ENVIRONMENTAL MATTERS

Capital expenditures in connection with environmental projects were approximately \$2.1 million in 2003, \$2.5 million in 2002 and \$8.9 million in 2001. See Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures about Market Risk, - Environmental Matters .

## CONCESSIONS

The Company has 241,200.618 hectares in concessions from the Peruvian Government for its exploration, exploitation, extraction and/or production operations (collectively, the Concessions) , as per the following schedule:

(in Hectares)	Toquepala	Cuajone	Ilo	Other	Total
Plants	300.00	456.00	420.50		1,176.50
Operations	40,698.71	30,822.66	12,910.79		84,432.16
Exploration				155,591.96	155,591.96
Total	40,998.71	31,278.66	13,331.29	155,591.96	241,200.62

The Company believes that the Concessions are in full force and effect under applicable Peruvian laws and that it is in compliance with all material terms and requirements applicable to the Concessions. The Concessions have indefinite terms, subject to payment by SPCC of concession fees of up to \$3 per hectare annually for the mining concessions and a fee based on nominal capacity for the processing concessions. Fees paid during 2003, 2002 and 2001 were approximately \$1.0 million, \$1.0 million and \$1.1 million, respectively. SPCC has two types of mining concessions: metallic and non-metallic concessions. SPCC has also water concessions for well fields at Huaitire and Titijones and surface water rights from the Suches Lake, which are sufficient to supply the needs of its two operating units, Toquepala and Cuajone.

## REPUBLIC OF PERU

All of the Company's revenues are derived from the Toquepala mine, the Cuajone mine, the SX/EW facility and the smelter and refinery at Ilo, all of which are located within a 48-kilometer radius in the southern part of Peru. Risks attendant to the Company's operations in Peru include those associated with economic and political conditions, effects of currency fluctuations and inflation, effects of government regulations and the geographic concentration of the Company's operations.

## INTERNET ADDRESS

The Company's Internet address is [www.southernperu.com](http://www.southernperu.com). The Company's 2002 annual report on Form 10-K, both in Spanish and English, has been available on the Company's website since April 2003. Commencing with the Form 8-K dated March 14, 2003, the Company has made available free of charge on [www.southernperu.com](http://www.southernperu.com) its annual, quarterly and current reports, as soon as reasonably practical after the Company electronically files such material with, or furnishes it to, the Securities and Exchange Commission (SEC). However, the information found on the Company's website is not part of this or any other report.

Item 2. Properties

FACILITIES

The Company's principal executive offices are located at 2575 East Camelback Road, Suite 500, Phoenix, AZ, 85016 and at Avenida Caminos del Inca No. 171, Chacarilla del Estanque, Santiago de Surco, Lima 33, Peru. At December 31, 2003, the Company through its Peruvian Branch, has 100% interest in the Toquepala and Cuajone mines, the SX/EW facility, the Ilo smelter, the sulfuric acid plant and the Ilo refinery and operates them pursuant to concessions from the Peruvian Government. See Item 1 Business Concessions. The Company owns, through the Branch, its offices in Lima. Its offices in Phoenix are located in space leased to it by ASARCO. The Company believes that its existing properties are in good condition and suitable for the conduct of its business.

The offices and the Company's major facilities, together with production commencement dates, are listed below:

<b>PERU</b>	<b>UNITED STATES</b>
Toquepala Mine Southern Peru (1960)	Executive Offices Phoenix, AZ (2000)
Cuajone Mine Southern Peru (1976)	
SX/EW Facility Southern Peru (1995)	
Ilo Smelter Ilo, Peru (1960)	
Ilo Refinery Ilo, Peru (1994-SPCC)	
Acid Plant Ilo, Peru (1995)	
Executive Offices Lima, Peru (1977)	

The Company also owns and operates a railroad connecting the mines at Cuajone and Toquepala with the smelting and refining facilities and a port at Ilo, which are located approximately 196 rail kilometers from the two mine sites, which are at elevations ranging from 3,220 to 3,330 meters. In addition, the Company owns homes, hospitals and schools, which have been included in fixed assets, in order to provide services for employees and their families.



METAL PRODUCTION STATISTICS

	2003	2002	2001
<b>Copper Production</b>			
<b>MINES (contained copper in thousands of pounds)</b>			
Toquepala	313,878	276,513	270,619
Cuajone	406,814	370,834	363,951
SX/EW	105,283		