Colombia

HEMCO Nicaragua

FINANCIAL REPORT 2015

MINEROS S.A.

Responsible mining for the XXIst Century

FINANCIAL REPORT 2015

MINEROS S.A.

Responsible mining for the XXI[st] Century


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1

MANAGEMENT REPORT

SHAREHOLDERS' MEETING
MARCH 11, 2016

MANAGEMENT REPORT

Messrs. Shareholders:

We kindly submit for your consideration the report of activities and results of fiscal year 2015.

I. EXTERNAL ASPECTS:

GOLD PRICES

In 2015 the price of gold followed a negative trend. The closing price for the year (USD1,061.42 per ounce) was 10.42% lower than the closing price for 2014 (USD1,184.6 per ounce), completing three consecutive years of losses. The price of the precious metal recorded a maximum of USD1,307.98 per ounce and a minimum of USD1,046.43 per ounce; this behavior was explained by expectations of and finally the actual change in monetary policy in the United States which created a brisk strengthening of the dollar against all its peers and significantly reduced inflationary pressures in that country, leading to a reduced appetite for this commodity as a haven asset and investment vehicle.

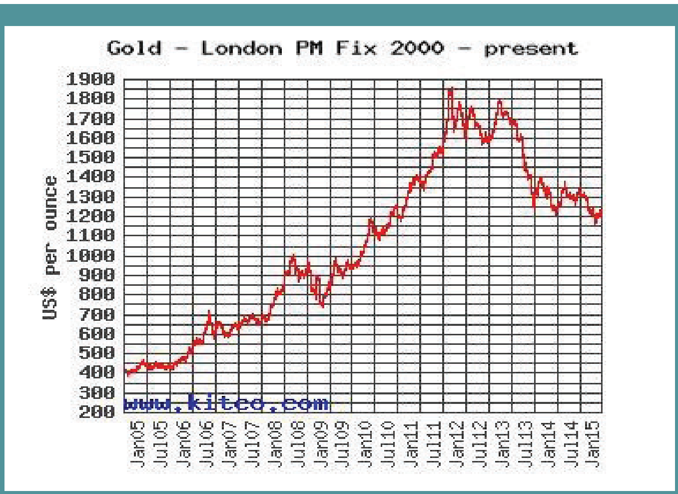
By the third quarter of 2015, worldwide mining output increased 2.39% compared to the same period in 2014, going from 2,309 to 2,364 tons; scrap (recycled gold) supply fell 5.40% to 857 tons, the lowest level in the last seven years; ETF flows added 64 tons of gold to supply, a 30% reduction from the amount observed in 2014.

From the viewpoint of demand, by the third quarter of 2015 worldwide jewelry manufacturing suffered a 3% reduction, going from 1,804 to 1,750 tons; some Central Banks continued to increase their reserves and by the third quarter of 2015 they accumulatively accounted for 426 tons, 6.5% less than the observed figure for the same period in 2014; on the other hand, demand for ingots and coins slightly increased from 741 to 749 tons.

In 2016 some mining operations are expected to close and a reduction in gold reserves and in mining output is anticipated, which should be explained by the trend in the commodity in recent years. An increase in the demand for the metal is also expected, due basically to the observed instability in recent months of the Chinese stock market, weak expectations of economic growth in Asian economies and a possible lifting of restrictions on gold imports by the Indian government.

Gold prices between January and December, 2015

Evolution of gold prices during the last ten years



II. INTERNAL ASPECTS

A. PRODUCTION

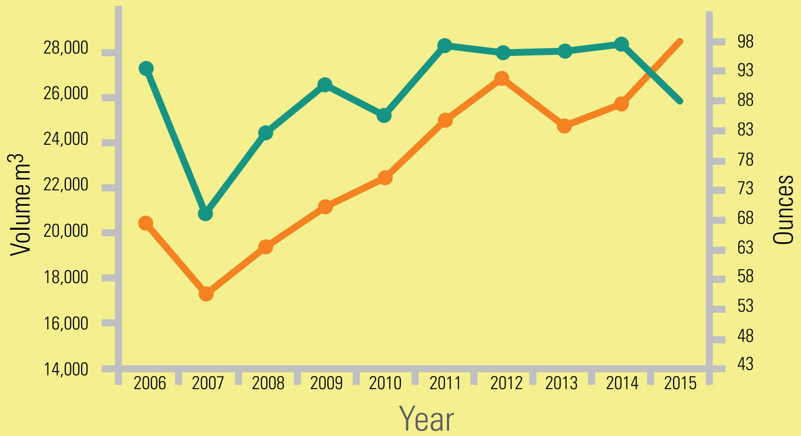
At 86,253 oz of gold equivalent, alluvial output for 2015 was 9.7% down from 2014. Underground output was 20,810 oz of gold equivalent, 10,6% down from 2014.

Output at HEMCO was 71,096 ounces of gold equivalent, 9,5% up from 2014, for a total consolidated output of 178,159 ounces of gold equivalent.

OUTPUT IN OUNCES AND VOLUME m^3.

ALLUVIAL OPERATION
(In thousands)

VOLUME
OUTPUT IN OUNCES



Output estimates for the current year are:

- Alluvial operation: 89,044 eq oz
- Underground operation: 20,686 eq oz
- HEMCO Nicaragua S.A.: 76,962 eq oz
- For an expected total of: 186,692 eq oz

The expected decrease in alluvial operation compared to periods such as 2012 - 2014 is due to a change in the exploitation policy defined based on the lifespan for the deposit, and considering the current information regarding reserves and mining properties, it is intended that by working lower grades, the deposit's lifespan could be extended to 15 years.

B. RESERVES BALANCE

The following table summarizes the reserves and resources situation in the alluvial deposit.

CATEGORY	EXTRACTION SYSTEM	CUBIC METERS	OUNCES	GRADE (Mg./M3)
Reserves + measured and indicated resources.	Bucket Dredges and Suction Dredges	414.055.900	1.314.607	100
Reserves + measured and indicated resources.	Currently being determined (Suction Dredges)	76.068.839	258.149	117
Inferred resources	Bucket Dredges and Suction Dredges	35.393.963	100.942	100
TOTAL		**525.518.702**	**1.673.698**	

As of December 31, 2015, the total mineral reserves of the alluvial deposit, taking into account proven reserves, measured, indicated and inferred resources, total 525,518,702 cubic meters, with 1,673,698 troy ounces of fine gold.

The proven reserves and the measured and indicated resources extractable with bucket dredges total 414,055,900 cubic meters, with 1,314,607 troy ounces of fine gold and an effective grade of around 100 milligrams per cubic meter.

Also included in the inventory of proven reserves and measured and indicated resources are 76,068,839 cubic meters, with 258,149 troy ounces of fine gold and an effective grade of around 117 milligrams per cubic meter, which can be extracted using methods different from bucket dredges.

The remaining 35,393,963 cubic meters, with 100,942 troy ounces of fine gold, are inferred resources with a higher uncertainty degree in areas where there is still a need to increase the drilling density to establish the amounts which can be extracted with bucket dredges with a higher precision.

These are the perspectives for the underground operation:

CATEGORY	EXTRACTION SYSTEM	TONS	OUNCES	GRADE (gr./Ton)
Reserves + Measured and indicated resources	Underground Mining	545.985	73.900	4,2
Inferred resources	Underground Mining	654.791	43.257	2,1
TOTAL		**1.200.776**	**117.157**	**3,03**

At the La Ye Mine, as of December 31, 2015, the total proven and probable reserves plus the measured, indicated and inferred resources are 1,200,776 tons, with 117,157 troy ounces of fine gold equivalent and a weighted-average grade of 3.03 grams per ton.

Of these, proven and probable reserves plus measured and indicated resources total 545,985 tons, with 73,900 troy ounces of gold equivalent and an estimated weighted-average grade of 4.2 grams per ton.

The remaining 654,791 tons, with 43,257 troy ounces of fine gold equivalent, are inferred resources with a grade of 2.1 grams per tons and a still high degree of uncertainty.

The company will continue to focus on brownfield exploration campaigns and tunneling development to maintain a reserve balance which will permit smooth planning of future operations.

C. INVESTMENTS

In 2015, the company earmarked $26,978 million for new projects, of which $11,188 million were conducted via leasing and $15,789 through own funds.

The most representative investments were oriented towards the start-up and stabilization of the new, 9.11-MW hydroelectric power plant. The second generation unit began operations in May, 2015, with which the company's installed capacity reached 19 MW of power for its own use and surplus trading. The project included the construction of a new transmission line between the hydroelectric power plant and El Bagre to increase the reliability of the system as a whole.

Surplus energy trading began in August, with sales reaching $3,154 million, with $1,047 million in profits as of December.

Furthermore, investments were made in the automation of the gold separation process at the alluvial plant, substantially eliminating human intervention and incorporating systems for the processing of residual gold-containing sands. It is worth noting once more that this is a totally clean process, since gold separation is carried out through physical means (gravimetric) and it is a great achievement in our continuous task of making mining more environmentally friendly.

Suction dredges No. 18 and 19 were optimized at the alluvial operation, and the main transmission system of bucket dredge No. 10 was updated.

III. EXTERNAL SECTOR AND OTHER ISSUES TO HIGHLIGHT

A. MINING SECTOR

Development of mining activities in the country continue to suffer from difficulties. In addition to the legal instability regarding issues that affect the sector, mounting opposition from communities to mining activities has not differentiated between the predatory practices of informal and illegal mining operations and those of companies such as MINEROS S.A. who are committed to sustainable mining practices and full compliance with the law.

However, the company continues to strive in the search for investment and development alternatives, support and protection from law enforcement for carrying out its activities, while at the same time working with mining authorities in the search for adequate solutions to the activities of traditional miners, in spite of the red tape which slows down these programs.

B. PUBLIC ORDER

As in previous years, the company received the invaluable support of the National Military Forces for the protection of its people and assets. Our deepest gratitude goes out to them, since without their commitment, the continuity of the company would not be possible.

The company invested the following amounts in safety and risk coverage for its equipment:

For insurance premiums	$2,896 million.
For comprehensive protection	$5,828 million.

C. LABOR RELATIONS

Throughout the year relationships with unions which represent our workers were conducted under good terms, as in previous years, both in the alluvial operation and in Operadora Minera.

At Operadora Minera, the agreement reached to solve the dispute arising from the 2013 collective agreement and the advance negotiations for the October 2014- October 2016 period had a very positive impact on the work climate, which we trust will facilitate negotiations for this year.

A collective agreement with the alluvial operation's union was signed in May under the terms of the law, aligned with current realities and the company's perspectives, and will be in force until 2017.

D. GROWTH PLAN

We continue to search for projects in advanced exploration stages or already in production, to materialize our growth strategy.

Our exploration campaign focused on incorporating new resources to the HEMCO operation in Nicaragua, where we have invested 4.7 million dollars in 2015, has produced very positive preliminary results, and the decision was made to move forward with these efforts and translate these into additional investments of 4.3 million dollars this year.

E. SOCIAL RESPONSIBILITY

We continue with our commitment to contribute with improving quality of life and well-being of the communities located within the areas of influence of our mining operations, carrying out programs in different areas with important results in topics such as: income generation, strengthening of local social and community organizations, health and education, basic sanitation, community living, among others.

We specially recommend reading our Sustainability Report 2015, also being handed out today, since it shows significant advances in this field and is part of the value we add to our shareholders.

We can highlight the following from our social management:

1. "Avanza" business strengthening program.

With the participation of Corporación Interactuar, which brings together 28 business units, providing support for productivity and competitiveness improvement through specialized consulting given to each entrepreneur.

2. Beekeeping productive project.

Carried out in 26 settlements of the towns of El Bagre, Zaragoza and Nechí and with 97 participating families, 5 tons of honey were produced in the last year, generating 36.5 million in economic benefits to the community.

3. Fish farming project.

Carried out in 14 settlements, benefiting 108 families and with a total of 50 ponds, the latest harvest totaled 1,900 kilograms with 12 million in revenue.

4. Community living.

This program has been considered by national and international public and private entities as a successful example of community living programs. We organized cultural and sporting events for community strengthening in 2015 in the most conflict-prone neighborhoods of El Bagre and Zaragoza, and we carried out training sessions for community leaders, community-living and safety committees in topics such as human rights, conflict resolution, social management, and citizen oversight and control on public management.

5. Adhesion to United Nations Guiding Principles on Business and Human Rights.

We organized ten awareness and training events in 2015 related to the Guiding Principles on Business and Human Rights, focused on the building of workers groups inside the company. We continue to take part in the activities of the Colombian Network against Child Labor.

6. Inter-institutional coordination and strengthening of strategic alliances between existing institutions in the towns of El Bagre, Zaragoza and Nechí.

We promoted and carried out the Second Inter-institutional Meeting of Lower Cauca, where more than thirty public and private organizations met with the purpose of building a common agenda for the subregion's progress and to coordinate efforts and resources for the execution of initiatives which strive for its economic and social development.

F. ENVIRONMENTAL COMPENSATION AND SUSTAINABLE DEVELOPMENT

As part of our environmental compensation and sustainable development program, we have continued with our activities of rubber tree planting, a crop we believe to be an engine for growth in the region with high impact on the socioeconomic conditions of the communities, since due to its 40-year life cycle, it can benefit an entire family circle and contribute to the sustainability of the region.

Today we count 360,000 planted trees in an area of 790 hectares. Our projections for 2016 estimate having a total planted area of 475,000 trees in 950 hectares located in three estates in the subregion (Caucasia, Zaragoza and Nechí).

Together with other producers and foreign investors who contribute both resources and market knowledge and management, we are taking part in a project for the construction of a processing plant in the region for when these plantations reach their productive stages.

G. RECOGNITIONS

We received the Premio Iberoamericano de la Calidad prize (Ibero-american Quality Prize) in 2015, Silver version, in the private company category.

We were able to aim for this prize having won the Premio Nacional de la Excelencia y la Innovación en Gestión prize (National Management Excellence and Innovation Prize) in 2014, awarded by Corporación Calidad with support from the Ministry of Trade, Industry and Tourism.

This prize underscores our commitment to our continuing efforts in developing world-class sustainable mining.

IV. ASSOCIATED COMPANIES

A. HEMCO NICARAGUA S.A.

With the support of a highly-qualified team of Nicaraguans, Colombians and other nationalities committed to achieving the goals we have set for ourselves, significant progress was made and the following milestones were achieved:

1. Regularization of the traditional mining model, strengthening cooperatives and automating the sampling process for the mineral which they deliver, generating trust between both parties.

2. Increase of plant milling output with the installation of a new mill which allows the increase of daily output to close to 1,400 tons.

3. Mine operations improvement, both in production and development, with the construction of tunnels and two ore chutes which converge at level 850 and have a substantial impact on the efficiency of mineral transport to the plant.

4. Integration project with MINEROS S.A. for better practices and procedures.

5. Maintaining of good relations with authorities and communities, and strict control of health, safety and environmental issues.

Main indicators for the company during 2015 were:

- Output: 71,096 ounces equivalent, 9.5% higher than in 2014
- Number of persons employed: 1,473
- Total revenue: USD84,093,618
- Total wages paid: USD8,652,783
- Total taxes and royalties paid: USD2,986,145
- EBITDA Margin 17.7%

B. EXPLORADORA MINERA S.A.S.

We continue to deploy our policy of decreasing exploratory activities in incipient stages and focusing on the search for investment opportunities. Accordingly, we continued reviewing the company's mining titles in detail to dismiss and return those which offer little possibilities.

The corporation posted income for $45 million and ended the year with 13 workers in its payroll.

C. OPERADORA MINERA S.A.S.

This company carries out operations in underground exploitation. It achieved important efficiencies in 2015, both in mine and in production plant, which helped to compensate in part the drop in mineral grade.

Its main indicators were:

- Total output in tons: 136,633, 7.7% higher than in 2014.

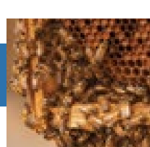
- Gold equivalent production: 20,810 ounces, recovery percentage 87.76%

- EBITDA Margin: 7.3%

- The corporation posted income for $738 million and ended the year with 677 workers in its payroll.

D. COMPAÑÍA MINERA DE ATACO S.A.S.

In accordance with our desire to continue to pursue this project, we made the decision to remove our request for approval of the Environmental Management Plan presented to CORTOLIMA, to adjust its scope and begin the process of approval before the National Authority for Environmental Licenses, ANLA.



To date, the process has moved forward in a very positive manner before this environmental authority. A large part of the procedures for approval have been fulfilled for this project which will contribute with an output of 17,000 ounces of gold per year.

E. UNIPALMA DE LOS LLANOS S.A.

MINEROS S.A. owns a 17.4% stake in this company.

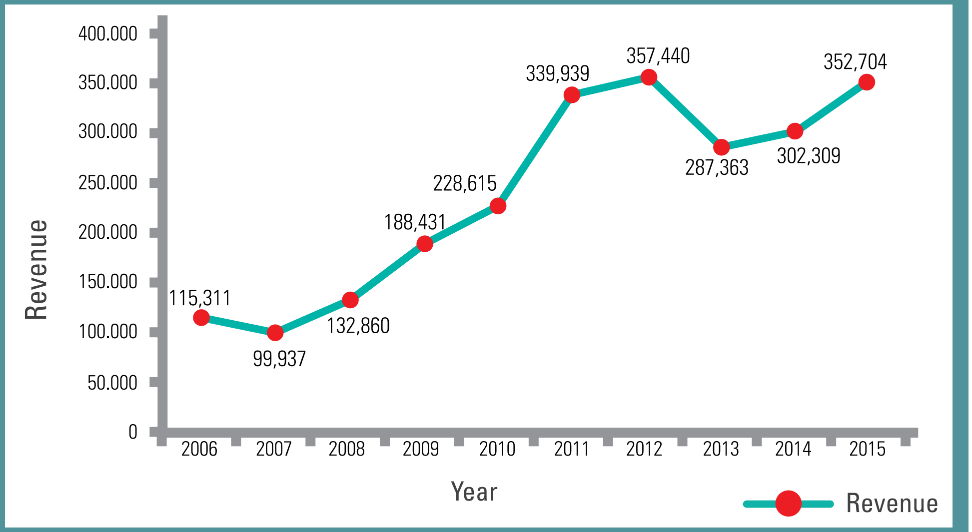
It had net sales of $48,679 million in 2015 and closed the year with a net loss of $3,034 million.

The company is in the process of restructuring which allowed its results to go from an operating loss of $3,091 million in 2014 to an operating income of $3,781 million in 2015.

V. FINANCIAL ANALYSIS

Sales reached $352,704 million, 16.7% higher than in 2014. Total output was destined for export reaching a net sum of USD129 million dollars, with an average gold price for the year at USD1,208.35 per ounce, 5.2% lower than in 2014. However, the devaluation of the peso placed the peso-based price close to its historic maximum at year's end.

REVENUE
(In millions of Colombian pesos)



Total cost and Cash Cost
(US Dollars per ounce)

The gross profit or loss was $144,086 million.

Other non-operating revenue was $63,115 million, of which the most relevant figures are:

- $48,477 million in income due to the liquidation and sale of investments, which include sale of the stake in Oxo Center for $5,334 million, the liquidation of the investment vehicle used for acquisition of HEMCO Nicaragua S.A. for $42,006 million, $3,232 million from dollar-denominated hedging operations, and $3,154 million from energy sales.

Other expenses incurred were $66,880 million, of which the most relevant figures are:

- $42,604 million from amortization of exploration projects.
- $14,593 million from the collection of environmental discharge duties by Corantioquia.

The net exchange difference was $13,298 million which originates mainly from the adjustment of dollar-denominated loans hired in 2014.

Financial revenue was $15,415 million, of which the most representative figures were:

- Portfolio valuation at market prices: $5,338 million.
- Interest: $4,253 million.
- Valuation of hedging operations: $4,089 million.

The company closed the fiscal year with an investment portfolio of $28,580 million, composed primarily of: 49% in fixed-income securities in Colombia and 50% in trust rights in the Milla de Oro project.

Revenue from this activity represented $1,137 million.
Financial expenses incurred were $34,328 million, of which the most representative figures were:

- Dollar-denominated hedging operations of $14,755 million.
- Interest accrued of $8,069 million.
- Valuation of hedging operations of $8,913 million.

EBITDA was $166,186 million equivalent to 47% of sales.
During the year, the stock of MINEROS S.A. suffered a 23% drop compared to a 24% drop in the IGBC and a 27% drop in the COLCAP.

Gross margin stood at 41% versus 40% in 2014.
Net margin was 21% compared to 15% in 2014.

The switch in accounting standards from those required by Decree 2649 of 1993 to the International Financial Reporting Standards (IFRS) introduced important variations which are described below:

A. In net income, which particularly affects other revenue and other expenses accounts. Of the other revenue total ($63,515 million), $18,518 million affect the company's cash, and the difference represents an accounting effect. Similarly, in other expenses ($66,880 million), $53,319 million affect the company's cash.

B. Shareholders' equity decreased 5% from $630,328 million to $594,484 million, with a corresponding book value per share of $2,288. This decrease corresponds to the elimination according to the IFRS of revaluation surplus of property, plant and equipment, and investments.

C. Current liabilities closed at $79,802 million, 2% below last year's figures. Total liabilities increased 58% and closed at $264,646 million.

This figure can be explained in most part from infrastructure leasing which was contracted for the upgrading of the Providencia hydroelectric power plant, with its contra entry included in property, plant and equipment.

VI. MISCELLANEOUS

A. INTERNATIONAL FINANCIAL REPORTING STANDARDS - IFRS

The company adopted these regulations in 2015. As a result there are substantial modifications in the financial and accounting structures of companies. Most notable are: accounting of infrastructure leasing contracted for the upgrading of the hydroelectric power plant, the appreciation of total assets to fair values, the methodology by which investments are valued, and the calculation of deferred tax.

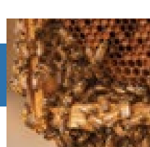
To adapt to the new policies it is necessary to carry against income any investments made in exploration, and only the portion corresponding to the feasibility stage of projects can be capitalized.

As a result, the company carried against income (other expenses) the accumulated cost of exploration projects which were not successful or are in incipient stages ($42,604 million).

As in previous years, this decision had a major impact on our results but it allows us to complete the streamlining of balance sheet accounts in practical terms, which at any rate would have been necessary in the following fiscal years.

B. OPERATIONS WITH RELATED PARTIES

In 2015, commercial transactions for $2,268 million related to insurance premiums for the different policies covering the company were conducted with Axa Colpatria insurance



company, with which members of the Board of Directors have economic links.

Insurance policies were hired with Axa Colpatria under optimal market conditions, upon quote from other insurance companies.

No other operation with corporations in which members of the Board of Directors or the company's management have direct or indirect economic interest was carried out during the year.

C. The managers and the Board of Directors certify that:
a) The company fully complies with all rules regarding intellectual property and copyrights.

b) In compliance with paragraph 2 of Article 87 of Law 1676 of 2013, the company states that it has not hindered the free circulation of invoices issued by sellers or suppliers.

D. The Corporation's legal representative certifies that in 2015, the Management verified the correct operation of the systems for disclosure and control of financial information established at the company, in compliance with paragraph of Article 47 of Law 964 of 2005.

E. According to verification conducted by our legal counsels, the company faces no legal processes that may jeopardize its economic stability.

This report contains, as a part of itself, the provisions of article 446 of the Code of Commerce. The books and reports mandated by Law have been made available to the shareholders since the convening date of this meeting.

The Board of Directors and the Management wish to thank the effort and dedication of our employees and workers as well as their commitment to meeting the goals we have set.

Eduardo Pacheco Cortés
José Fernando Llano Escandón
Alberto León Mejía Zuluaga
Santiago Perdomo Maldonado
Miguel Urrutia Montoya
Alberto Mejía Hernández
Andres Baracaldo Sarmiento

Andrés Restrepo Isaza
President
February 1, 2016

2

STATUTORY AUDITORS' REPORT

Deloitte.

STATUTORY AUDITORS' REPORT

To the shareholders of
MINEROS S.A.:

I have audited the separate financial statements of MINEROS S.A. which include the statement of financial position at December 31, 2015 and the statements of profits or loss and other comprehensive income, of changes in equity and of cash flows for the year ended on such date and, as well as the summary of the main accounting policies and other explanatory notes. The separate financial statements at December 31, 2014 and the opening statement of financial position at January 01, 2014, adjusted to the Accounting and Financial Reporting Standards accepted in Colombia are included for comparative purposes.

The Management is responsible for the preparation and correct presentation of the financial statements in conformity with the Accounting and Financial Reporting Standards accepted in Colombia. Such responsibility includes: designing, implementing and maintaining an internal control system adequate for the preparation and presentation of the financial statements, free from significant errors due to fraud or error, selecting and applying appropriate accounting policies, and establishing the accounting estimates that are reasonable under the circumstances.

My responsibility is to audit said separate financial statements and express an opinion thereon based on my audit. I obtained the information necessary to comply with my duties and carry out my work in accordance with auditing standards generally accepted in Colombia. Those standards require that I plan and perform the audit to satisfy myself that the financial statements are free from significant errors. An audit of financial statements includes examining, on a test basis, the evidence supporting the amounts and disclosures included in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including an evaluation of the risk of significant errors in the financial statements. In evaluating the risk, the statutory auditor considers the company's internal control relevant for the preparation and reasonable presentation of the financial statements, in order to design audit procedures appropriate to the circumstances. An audit also includes evaluating

the accounting principles used and the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. I believe that my audits provide a reasonable basis for the opinion which I express.

In my opinion, the aforementioned financial statements, taken from the accounting books, present fairly, in every significant aspect, the financial position of MINEROS S.A. at December 31, 2015, the results of its operations and its cash flows for the year then ended, in conformity with the Accounting and Financial Reporting Standards accepted in Colombia.

Also, based on the scope of my audit, I report that the company's books were kept in conformity with legal requirements and accounting techniques; the transactions recorded in the accounting books and the administrators' acts complied with the bylaws and the decisions of the Shareholders' Meeting and the Board of Directors; the correspondence, the accounting vouchers, the minutes books and share register were properly kept and safeguarded; the management report agrees with the basic financial statements; the company is not in default with the contributions to the Integral Social Security System; and mechanisms for prevention and control of asset laundering have been implemented as established in External Circular Letter No. 60 of 2008 of the Financial Superintendency. My evaluation of the internal control carried out in order to establish the scope of my audit tests did not reveal that the company had not followed adequate measures with respect to internal control and the preservation and custody of its assets and those of third parties in its possession.

Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.

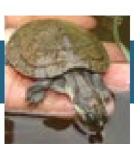
February 18, 2016.

3

FINANCIAL STATEMENTS

SHAREHOLDERS' MEETING
MARCH 11 OF 2016

Certification of Financial Statements



The undersigned, Legal Representative and Chief Accounting Officer of the company, under whose responsibility the financial statements were prepared, in compliance with the bylaws, hereby declare that they have previously verified the assertions therein contained, which have been faithfully taken from the books.

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

In my capacity as legal representative of MINEROS S.A., and in compliance with Article 46 of Law 964 of 2005, I hereby certify that the general-purpose financial statements of this corporation as on December 31, 2014, and their corresponding notes, do not contain defects, inaccuracies or errors that prevent ascertaining the true financial position and operations of the company.

Andrés Restrepo Isaza
President

MINEROS S.A.

STATEMENTS OF FINANCIAL POSITION

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014	1/1/14
ASSETS				
Non-current assets				
Property, plant and equipment – net	6	$ 380.639.393	$ 392.259.757	$ 366.870.643
Investment property	7	5.661.450	4.148.100	4.148.100
Intangible assets	8	60.894.598	95.249.166	100.262.659
Investments in affiliates	9	266.526.875	87.513.980	88.120.591
Equity financial instruments	10	2.638.503	2.593.503	2.558.503
Trade debtors and other receivables	11	7.326.622	6.954.531	5.912.137
Receivables from subordinate companies	11	-	17.238.706	8.470.505
Materials stock	13	39.057.112	35.717.122	32.456.415
Biological assets	14	12.759.630	8.155.144	4.848.255
Total non-current assets		**775.504.183**	**649.830.009**	**613.647.808**
Current assets				
Trade debtors and other receivables	11	23.563.596	7.655.895	7.942.775
Receivables from subordinate companies	11	1.744.544	135.352.712	-
Current tax asset	12	10.982.824	8.795.095	42.615.401
Marketable financial assets	15	28.580.398	45.553.461	67.914.321
Hedging operations	16	14.199.132	4.486.578	2.640.759
Cash and cash equivalents	17	4.555.381	3.204.652	1.155.324
		83.625.875	**205.048.393**	**122.268.580**
Total current assets		**83.625.875**	**205.048.393**	**122.268.580**
TOTAL ASSETS		**$ 859.130.058**	**$ 854.878.402**	**$ 735.916.388**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.
(See attached opinion)

MINEROS S.A.

STATEMENTS OF FINANCIAL POSITION

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

LIABILITIES AND EQUITY Equity	Notes	12/31/2015	12/31/2014	1/1/14
Share capital	18. a)	$ 158.953	$ 158.953	$ 158.953
Treasury stock	18. a)	(5.611.007)	(5.611.007)	(5.611.007)
Share premium	18. b)	1.551.099	1.551.099	1.551.099
Equity Method Surplus	9	16.679.007	21.016.426	3.592.254
Reserves	19	432.077.485	424.606.219	413.364.974
Other accumulated comprehensive income	20	15.273.055	141.140	-
Other comprehensive income (opening statement of financial position)	2.b	69.723.197	69.723.197	69.723.197
Accumulated profits (losses)	2.b	(8.184.443)	-	-
Net income for the period		72.816.814	37.235.391	43.643.734
		594.484.160	**548.821.418**	**526.423.204**
Total equity		**594.484.160**	**548.821.418**	**526.423.204**
Non-current liabilities				
Loans and borrowings	21	138.105.953	169.239.311	107.449.148
Employee benefits liabilities	22	5.512.603	3.821.367	4.906.853
Deferred tax liability	23	37.799.577	42.920.299	46.084.956
Provisions	24	3.425.996	1.763.966	1.354.239
Total non-current liabilities		**184.844.129**	**217.744.943**	**159.795.196**
Current liabilities				
Loans and borrowings	21	38.208.331	39.059.945	11.839.939
Employee benefits liabilities	22	3.483.232	3.518.385	3.634.326
Hedging contracts	25	8.663.284	3.709.514	228.825
Creditors and other payables	26	17.878.887	17.533.666	13.024.659
Payables to subordinate companies	27	1.811.124	1.962.092	1.865.723
Other financial liabilities	28	8.893.982	8.794.414	11.954.891
Current tax liabilities	29	862.929	13.734.025	7.149.625
Total current liabilities		**79.801.769**	**88.312.041**	**49.697.988**
Total liabilities		**264.645.898**	**306.056.984**	**209.493.184**
TOTAL LIABILITIES AND EQUITY		**$ 859.130.058**	**$ 854.878.402**	**$ 735.916.388**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.
(See attached opinion)

FINANCIAL STATEMENTS

MINEROS S.A.

STATEMENTS OF PROFIT OR LOSS

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014
Continuing operations			
Revenue from regular activities	30	$ 352.704.090	$ 302.308.612
Cost of service delivery	31	(208.617.898)	(180.006.444)
Gross profit or loss		**144.086.192**	**122.302.168**
Other revenue	32	63.515.119	10.690.393
Administration expenses	33	(15.019.199)	(14.620.259)
Other expenses	34	(73.801.325)	(56.123.254)
Financial revenue	35	15.414.519	9.282.687
Financial expenses	36	(34.327.822)	(13.680.774)
Exchange difference - net	37	(13.297.557)	7.356.080
Pre-tax profit for the period		**86.569.927**	**65.207.041**
Current tax	29	(22.238.997)	(27.742.426)
Deferred tax	29	8.485.884	(229.224)
		(13.753.113)	(27.971.650)
Income for the year after taxes on continuing operations		**72.816.814**	**37.235.391**
NET INCOME FOR THE PERIOD		**$ 72.816.814**	**$ 37.235.391**

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(See attached opinion)

MINEROS S.A.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014
NET INCOME FOR THE PERIOD		$ 72,816,814	$ 37,235,391
Other comprehensive income, net of taxes			
Items not to be subsequently reclassified as income of the period:			
Measurement of defined benefit plans		32,571	(105,494)
Revaluation of property, plant and equipment		9,400,854	-
		9,433,425	(105,494)
Items that may be subsequently reclassified as income of the period:			
Cash flow hedges		5,698,490	246,634
		-	-
		5,698,490	246,634
Other comprehensive income, net of taxes		15,131,915	140,140
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 87,948,729	$ 37,376,532
Earnings per share:			
Basic earnings (losses) per share	38	278.26	142.29

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(See attached opinion)

MINEROS S.A.

STATEMENT OF CHANGES IN EQUITY

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Share capital (Note 18 a)	Treasury stock (Note 18 a)	Share premium (Note 18 b)	Equity Method Surplus	Reserves (Note 19)	Other comprehensive income (opening statement of financial position)	Equity revaluation	Revaluation surplus	Accumulated income	Other comprehensive income (Note 20)	Total
Balance at January 01, 2014	**$ 158.953**	**$ (5.611.007)**	**$ 1.551.099**	**$ 3.592.254**	**$ 413.364.974**	**$ -**	**$ 16.912.520**	**$ 93.568.301**	**$ 43.643.734**	**$ -**	**$ 567.180.828**
Adjustments for convergence to IFRS	-	-		-	-	(40.757.624)		-	-		(40.757.624)
Adjustments for errors in previous GAAP	-	-		-	-	-	-	-	-		-
Reclassifications for convergence to IFRS	-	-		-	-	110.480.821	(16.912.520)	(93.568.301)	-		-
Balance at January 01, 2014 restated	**158.953**	**(5.611.007)**	**1.551.099**	**3.592.254**	**413.364.974**	**69.723.197**	**-**	**-**	**43.643.734**		**526.423.204**
Net income for the period	-	-		-	-	-	-	-	37.235.391		- 37.235.391
Other comprehensive income, net of taxes	-	-		-	-	-	-	-	-	141.140	- 141.140
Comprehensive income for the period	**-**	**-**	**- -**	**-**	**-**	**-**	**-**	**-**	**37.235.391**	**141.140**	**37.376.531**
Appropriation of reserves	-	-	-	-	11.241.245	-	-	-	(11.241.245)	-	-
Payment of dividends	-	-	-	-	-	-	-	-	(31.402.489)	-	(31.402.489)
Payment of social action gifts	-	-	-	-	-	-	-	-	(1.000.000)	-	(1.000.000)
Equity Method	-	-	-	17.424.172	-	-	-	-		-	17.424.172
Balance at December 31, 2014	**158.953**	**(5.611.007)**	**1.551.099**	**21.016.426**	**424.606.219**	**69.723.197**	**-**	**-**	**37.235.391**	**141.140**	**548.821.418**
Balance at January 01, 2015	**158.953**	**(5.611.007)**	**1.551.099**	**21.016.426**	**424.606.219**	**69.723.197**	**-**	**-**	**37.235.391**	**141.140**	**548.821.418**
Net income for the period	-	-	-	-	-	-	-	-	72.816.814	-	72.816.814
Other comprehensive income for the period, net of taxes	-	-	-	-	-	-	-	-	-	15.131.915	15.131.915
Comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**72.816.814**	**15.131.915**	**87.948.729**
Appropriation of reserves	-	-			7.471.266	-	-	-	(7.471.266)	-	-
Payment of dividends	-	-			-	-	-	-	(31.402.488)	-	(31.402.488)
Payment of social action gifts	-	-			-	-	-	-	(1.000.000)	-	(1.000.000)
Payment of tax on wealth	-	-			-	-	-	-	(5.546.080)	-	(5.546.080)
Affiliate sold surplus	-	-		(21.016.426)	-	-	-	-	-	-	(21.016.426)
Equity Method	-	-		16.679.007	-	-	-	-	-	-	16.679.007
Balance at December 31, 2015	**$ 158.953**	**$ (5.611.007)**	**$ 1.551.099**	**$ 16.679.007**	**$ 432.077.485**	**$ 69.723.197**	**$ -**	**$ -**	**$ 64.632.371**	**$ 15.273.055**	**$ 594.484.160**

Andrés Restrepo Isaza
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(See attached opinion)

MINEROS S.A.

STATEMENT OF CASH FLOWS

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	12/31/2015	12/31/2014
Cash flows from operating activities:		
Net income for the period	$ 72,816,814	$ 37,235,391
Depreciation of property, plant and equipment	27,285,204	25,590,796
Impairment of property, plant and equipment	6,252,137	-
Amortization of intangible assets	2,506,112	7,924,385
Write-off of intangible assets	50,645,584	20,161,292
Write-off of biological assets	404,094	-
Gain (loss) on valuation of biological assets	(2,417,572)	-
Gain (loss) on valuation and sale of financial assets	(8,254,357)	2,994,795
Provisions for defined post-employment and long-term benefit plans	710,627	-
Gain (loss) on equity method	(2,359,856)	17,539,981
Gain on disposal of investments in affiliates	(46,481,278)	-
Provision (net)	1,786,297	409,727
Current taxes	22,858,085	27,742,426
Deferred taxes	(9,104,972)	229,224
Variation of hedging operations pending settlement	4,824,067	(5,214,501)
Other non-cash revenue and expenses	27,590,859	21,883,454
	149,061,845	**156,496,970**
Net changes in operating assets and liabilities:		
(Increase) decrease in inventories	(3,339,990)	(3,260,707)
(Increase) decrease in debtors and other receivables	57,902	(755,514)
Increase (decrease) in creditors and other payables	293,821	8,086,065
Increase (decrease) in labor liabilities	1,077,916	(4,245,963)
Increase (decrease) in current taxes	(2,187,729)	33,820,306
(Increase) decrease in provisions	(124,267)	-
Interest paid	(7,526,637)	(11,026,047)
Taxes paid	(35,729,181)	(21,158,026)
Net cash flows from operating activities	**101,583,680**	**157,957,084**
Cash flows from investing activities:		
Increase in receivables from related parties	-	(144,120,913)
Acquisition of property, plant and equipment	(28,089,572)	(50,979,910)
Acquisition of intangible assets	(18,797,128)	(23,072,184)
Acquisition of investments in equity financial instruments	(80,000)	(35,000)
Disposal of investments in equity financial instruments	35,000	490,802
Acquisition of biological assets	(2,591,008)	(3,306,889)
Disposal of marketable financial assets	39,287,519	19,366,065
Net cash flows used in investing activities	**(10,235,189)**	**(201,658,029)**
Cash flows from financing activities:		
Borrowings of public and treasury loans	-	119,716,349
Payments of public and treasury loans	(52,049,194)	(41,563,587)
Dividends paid	(31,402,488)	(31,402,489)
Gifts	(1,000,000)	(1,000,000)
Tax on wealth paid	(5,546,080)	-
Net cash flows (used in) from financing activities	**(89,997,762)**	**45,750,273**
Net increase in cash and cash equivalents	**1,350,729**	**2,049,328**
Cash and cash equivalents at the beginning of the year	3,204,652	1,155,324
Cash and cash equivalents at the end of the year	**$ 4,555,381**	**$ 3,204,652**

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(See attached opinion)

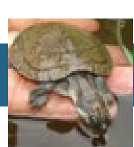
FINANCIAL STATEMENTS

MINEROS S.A.

FINANCIAL RATIOS

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

Indicator			Dec-15		Dec-14		Interpretation
LIQUIDITY INDICATORS measure the company's capacity to pay its short-term liabilities	Current Ratio	Current Assets / Current Liabilities	83,625,875 / 79,801,769	1.05	205,048,393 / 88,312,041	2.32	How many Pesos of current assets there are for each Peso that has to be paid in the short term
	Acid test	Liquid Assets / Current Liabilities	47,334,911 / 79,801,769	0.59	53,244,691 / 88,312,041	0.60	Company's capacity to pay its current liabilities with the assets that are convertible to cash in the short term
	Soundness	Total Assets / Total Liabilities	859,130,058 / 264,645,898	3.25	854,878,402 / 306,056,984	2.79	Company's capacity to show financial consistency
	Working Capital	Current Assets - Liabilities	3,824,106		116,736,352		Value remaining after paying all short-term liabilities
ACTIVITY OR EFFICACY INDICATORS measure the results of management decisions on the administration of resources	Fixed Assets Turnover	Net Sales / Gross Fixed Assets	352,704,090 / 380,639,393	0.93	302,308,612 / 392,259,757	0.77	How much can be generated in sales out of each Peso invested in fixed assets
	Operating Assets Turnover	Net Sales / Operating Assets	352,704,090 / 534,425,520	0.66	302,308,612 / 706,575,736	0.43	How much can be generated in sales out of each Peso invested in operating assets
	Total Assets Turnover	Net Sales / Total Assets	352,704,090 / 859,130,058	0.41	302,308,612 / 854,878,402	0.35	Company's efficiency using assets to generate sales
	Suppliers Payables - Days	Average Payables X 360 days / Cost	6,436,399,320 / 208,617,898	30.85	6,312,119,760 / 180,006,444	35.07	Days taken to pay suppliers accounts
	Customers Receivables - Days	Receivables / Net sales (day)	23,563,596 / 979,734	24.05	7,655,895 / 839,746	9.12	Time taken to convert receivables into cash
PROFITABILITY INDICATORS measure return obtained by the company with respect to sales, assets or capital contributed	Return on Assets	Net Income / Total Assets	72,816,814 / 859,130,058	8.48%	37,235,391 / 854,878,402	4.36%	Assets' capacity to generate profits
	Return on Equity	Net Income / Net Equity	72,816,814 / 594,484,160	12.25%	37,235,391 / 548,821,418	6.78%	Return on shareholder's or partner's investment
	Income per Share	Net Income / No. of Shares or Participation Rights	72,816,814 / 261,687	278.26	37,235,391 / 261,687	142.29	Earnings per share
	Gross Margin	Gross Income / Net Sales	144,086,192 / 352,704,090	40.85%	122,302,168 / 302,308,612	40.46%	Income obtained from sales after discounting operating costs
	Operating Margin	Operating Income / Net Sales	129,066,993 / 352,704,090	36.59%	107,681,909 / 302,308,612	35.62%	Income obtained from sales after discounting operational costs and administrative expenses
	EBITDA Margin	EBITDA / Net Sales	166,186,036 / 352,704,090	47.12%	143,373,270 / 302,308,612	47.43%	Income obtained without considering financial expenses, taxes and operational costs and expenses that do not imply cash outlays
	Net Margin	Net Income / Net Sales	72,816,814 / 352,704,090	20.65%	37,235,391 / 302,308,612	12.32%	Income generated by each Peso of sales, irrespective of whether they correspond to the corporate purpose or not
DEBT INDICATORS measure the degree and type of creditors' participation in the financing of the company's investment	Total Debt	Total Liabilities / Total Assets	264,645,898 / 859,130,058	30.80%	306,056,984 / 854,878,402	35.80%	Proportion of assets financed by third party's funds
	Short-term Debt	Current Liabilities / Total Assets	79,801,769 / 859,130,058	9.29%	88,312,041 / 854,878,402	10.33%	Proportion of assets financed by third party's funds in the short term
	Financial Debt	Total Financial Liabilities / Total Assets	176,314,284 / 859,130,058	20.52%	208,299,256 / 854,878,402	24.37%	Proportion of assets financed by financial institutions
	Financial Debt - Short Term	Financial Liabilities - Short term / Total Assets	38,208,331 / 859,130,058	4.45%	39,059,945 / 854,878,402	4.57%	Proportion of assets financed by financial institutions in the short term
	Ownership Index	Equity / Total Assets	594,484,160 / 859,130,058	69.20%	548,821,418 / 854,878,402	64.20%	Proportion of assets financed by equity
OTHER	EBITDA / Financial Debt	EBITDA / Total Financial Liabilities	166,186,036 / 176,314,284	0.94	143,373,270 / 208,299,256	0.69	EBITDA's coverage of debt
	P/E	Price per Share (year average) / Income per Share	1,821 / 278	6.54	2,863 / 142	20.12	Price of shares in the securities market versus income generated by each share



PROPOSITION REGARDING EARNINGS DISTRIBUTION

MINEROS S.A.
SHAREHOLDERS' MEETING - MARCH 11, 2016

EARNINGS FOR THE YEAR 2015 AMOUNT TO		**$ 72.816.814.072**
IT IS PROPOSED THAT THEY BE DISTRIBUTED AS FOLLOWS:		
YEAR'S NET INCOME		**$ 72.816.814.072**
FOR A MONTHLY DIVIDEND OF $10.7 PER SHARE DURING THE APRIL 2016-MARCH 2017 PERIOD ON 261,687,402 OUTSTANDING SHARES	$ 33.600.662.417	
FOR SOCIAL ACTIONS	1.000.000.000	
RESERVE FOR PROTECTION OF ASSETS	2.400.000.000	
RESERVE FOR NEW PROJECTS	34.472.884.530	
RESERVE FOR DEFERRED TAXES	1.343.267.125	
EQUAL AMOUNTS	**$ 72.816.814.072**	**$ 72.816.814.072**

Dividends will be paid between the 10th and 20th of the respective quarter to be paid. Dividend of the quarter will be paid to shareholders who are registered in the Shareholder Register on the ex-dividend period determined in the General Regulations of the Stock Exchange, as provided in article 2 of Decree 4766 of 2011

Dividend distribution percentage 46%

4

NOTES TO THE FINANCIAL STATEMENTS

MINEROS S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AT DECEMBER 31, 2015, 2014 and JANUARY 1, 2014

(In thousands of Colombian pesos, except where stated otherwise)

GENERAL NOTES

1. Identification and economic activity

1.1. Identification

Mineros de Antioquia S.A. (hereinafter the company) is a private corporation established on November 14, 1974 by public deed No. 6161 for a term of ninety-nine (99) years. Through public deed No. 1038 of April 19, 2004, it changed its corporate name to MINEROS S.A.

Its main offices are located at Carrera 43 A # 14-109 Piso 6, Medellín, Colombia.

1.2. Economic activity

The company's purpose is the conduction of any type of business, activities, endeavors, acts and contracts related to the mining industry in general, of either precious metals, metallic and non-metallic mineral substances or hydrocarbons. To comply with its corporate purpose, the company's operation center is located in El Bagre (Antioquia province) and its headquarters in Medellín.

The company carries out its gold extraction activities in the Northeastern region of Antioquia Province under two modalities: (i) alluvial exploitation along the Nechí River banks (jurisdiction of Zaragoza and El Bagre, Antioquia Province) using bucket dredges and suction dredges, and (ii) underground or vein exploitation in La Ye Mine (jurisdiction of Zaragoza, Antioquia Province).

1.3. Approval of separate financial statements

The separate financial statements of MINEROS S.A. for the year ended December 31, 2015 were authorized by the Board of Directors in its January 19, 2016 meeting as recorded in minutes No. 468.

1.4. Information of affiliates

The separate financial statements reflect the activities of the company excluding the effects of consolidation with affiliates in their financial statements. The company prepares consolidated financial statements that include the financial statements of the following affiliates:

Description of activities and corporate name	Country of incorporation and operation	Participation in share capital at December 31,			
		2015		2014	
		Direct	Indirect	Direct	Indirect
		%	%	%	%
Exploración de metales preciosos					
Exploradora Minera S.A.S.	Colombia	100	-	100	-
Explotación de metales preciosos					
Hemco Nicaragua S.A.	Nicaragua	95	-	5	-
Compañía Minera de Ataco S.A.S. (*)	Colombia	100	-	100	-
Prestación de servicios					
Operadora Minera S.A.S.	Colombia	100	-	100	-
Actividad inversionista					
Mineros LLC	USA	-	-	100	-
Bonanza Holding S.A.	Nicaragua	-	-	0,1	99,9

(*) MINEROS S.A. does not consolidate with Compañía Minera de Ataco S.A.S as it is in unproductive stage.

1.5 Compliance statement

The company, pursuant to regulations issued by Law 1314 of 2009 and Decrees 2784 of 2012 and 3023 of 2012 and 2013, respectively, prepares its financial statements in conformity with the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for its Spanish initials), which are based on the International Financial Reporting Standards (IFRS) and their interpretation, translated into Spanish as issued by the International Accounting Standards Board (IASB) at December 31, 2012.

Additionally, the company, in compliance with laws, decrees and other current regulations applies the following accounting criteria that differ from IFRS standards issued by the IASB:

1.5.1 Law 1739 of December 23, 2014 – Through which the government establishes a tax on wealth applicable to possession of wealth (gross equity minus outstanding debt) equal to or higher than $1,000 million in the period between January 01, 2015 to 2017. This law provides that taxpayers may charge this tax against equity reserves without affecting income for the period, both in the separate and the consolidated balance sheets.

1.5.2 External Circular Letter No. 36 of December 12, 2014, of the Colombian Financial Superintendency – Establishes the way to treat the net positive and negative differences resulting from first-time application of IFRS, as applicable to entities and securities issuers subject to control by the Superintendency. Adjustments resulting from net positive differences generated by first-time application of IFRS cannot be distributed to absorb losses, carry out capitalization processes, distribute earnings and/or dividends or be recognized as reserves.

1.5.3 Decree 2496 of December 23, 2015 – Provides that for the separate financial statements, investments in subsidiaries shall be accounted for in the parent or controlling company's books under the equity method, as established by Article 35 of Law 222 of 1995.

2. Accounting policies applied in the preparation of financial statements

The main accounting policies applied in the presentation of the financial statements are detailed below. These policies have been uniformly applied in every year which is presented:

2.1. Bases for preparation

The company's bylaws mandate account closing, as well as preparation and disclosing of its general-purpose financial statements, once a year, on December 31, 2015. For legal effects in Colombia, the main financial statements are the separate financial statements, which are expressed in Colombian Pesos, the reporting currency for all effects. The functional currency is the Colombian Peso, which is the currency of the main economic environment where the company operates.

The financial statements of the company at December 31, 2015 are the first financial statements prepared under the Accounting and Financial Reporting Standards accepted in Colombia (NCIF, for its Spanish initials). These financial statements have been prepared on the basis of historic cost, with the exception of the reappraisal of certain properties and financial instruments that are measured at revalued values or at fair values at the end of each reporting period, as explained in the accounting policies. The historic cost is generally based on the fair value of the consideration delivered in the exchange of goods and services.

Until the year ended December 31, 2014, the company prepared its yearly financial statements under the Generally Accepted Accounting Principles in Colombia (Colombian GAAP). The financial information corresponding to the year ended on December 31, 2014 included in these separate financial statements for comparative purposes has been modified and is presented under NCIF. The effects of changes on Colombian GAAP applied at December 31, 2014 and January 01, 2014 (transition date) and NCIF are explained in the reconciliations detailed below under letter b).

The company has applied the accounting policies, judgments, estimates and significant accounting assumptions described in Note 3. Likewise, the company has considered the exceptions and exemptions granted in IFRS 1 described below under letter a).

2.2. Effect of transition to International Financial Reporting Standards

The first annual financial statements prepared under NCIF correspond to December 31, 2015 Such financial statements were prepared in accordance with the policies described below. For recognition of transition from local accounting standards to IFRS standards, the company applied IFRS 1 and prepared its opening balance sheet as at January 01, 2014.

A. Policies and standards applied in the transition

The company applied the following optional exceptions included in IFRS 1 for its transition process:

- The company used estimates under IFRS that are consistent with those applied under the Generally Accepted Accounting Principles in Colombia.

- Estimates made in the opening and transition balance sheets reflect the existing conditions on the date of each financial statement. Particularly, estimates relative to market prices, interest rates or exchange rates reflected market conditions on such dates.

  The company applied the following mandatory exemptions included in IFRS 1 for its transition process:

- Attributed cost as cost of property, plant and equipment.

- Recognition as retained earnings of all actuarial gains and losses resulting from the actuarial estimate of defined benefits from retirement pensions.

B. Reconciliations between Colombian accounting principles and IFRS

The following reconciliations for transition to IFRS at January 01, 2014 (opening balance sheet) and December 31, 2014 (comparative statement of financial position), and for the 2014 period for the statement of comprehensive income, are presented below, together with the corresponding explanations of each accounting information item:

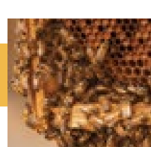
RECONCILIATION OF ASSETS	Explanatory Note	31/12/2014	01/01/2014
Total assets according to Colombian accounting standards		**$ 798.157.028**	**$ 652.526.615**
Plus:			
Adjustment to cost of property, plant and equipment considering attributed cost	1 and 4	214.279.018	214.279.018
Transfers from other accounts to property, plant and equipment	1	-	14.758.306
Lower depreciation and amortization expense	1	990.881	-
Adjustment to investment cost	2	34.799.296	12.457.428
Adjustment to debtors cost	3	1.406.902	1.492.291
Adjustment to intangibles cost	4	103.205.788	101.904.957
Adjustment to other assets	5	4.148.100	4.148.100
Adjustment equivalent to cash	6	1.812.706	61.280
Less:			
Retirement of assets	1	(368.690)	(3.876.189)
Adjustment to investment	2	(52.704.895)	(13.679.699)
Adjustment to debtors cost	3	(1.608.727)	(2.091.699)
Adjustment to intangibles cost	1 and 4	(8.079.275)	(30.898.018)
Reclassification of deferred assets under local standards as intangibles according to IFRS	4	(101.186.441)	(109.102.201)
Adjustment to other assets	5	(15.391.904)	(12.496.500)
Retirement of revaluation of property, plant and equipment, and investments according to Colombian standards	1 and 2	(124.581.385)	(93.568.301)
Total IFRS assets		**$ 854.878.402**	**$ 735.915.388**

RECONCILIATION OF LIABILITIES	Explanatory Note	31/12/2014	01/01/2014
Total liabilities according to Colombian accounting standards		**$ 167.828.915**	**$ 85.345.786**
Plus:			
Adjustment to financial liabilities	7	104.659.035	119.434.574
Deferred tax under IFRS	8	30.364.336	46.084.957
Recognition of benefits to personnel	9	3.114.608	3.980.365
Adjustment to provisions	10	715.765	1.831.129
Less:			
Difference in financial liabilities	7	-	(30.682.104)
Previous periods income tax under Colombian standard	8	(625.675)	(625.675)
Adjustment to provisions	10	-	(1.490.782)
Deferred tax under Colombian standard	8	-	(14.385.066)
Total IFRS liabilities		**$ 306.056.984**	**$ 209.493.184**

RECONCILIATION OF EQUITY	Explanatory Note	31/12/2014	01/01/2014
Equity according to Colombian accounting standards		**$ 630.328.113**	**$ 567.180.829**
Plus:			
Adjustment to cost of property, plant and equipment considering attributed cost	1	214.279.018	214.279.018
Adjustment to investment cost	2	7.547.359	7.837.422
Deferred tax under Colombian standard	8	14.385.066	14.385.066
Previous periods income tax under Colombian standard	8	625.675	625.675
Difference in income for the period		8.184.443	-
Other accumulated comprehensive income	11	141.140	-
Less:			
Revaluation surplus of property, plant and equipment, and investments according to Colombian standards	1 and 2	(124.581.385)	(93.568.301)
Adjustment to investment cost		(26.688.916)	(8.917.410)
Adjustment to debtors cost	3	(2.032.438)	(2.032.438)
Adjustment to intangibles cost	4	(4.987.144)	(4.987.144)
Adjustment to financial liabilities	7	(118.032.462)	(118.032.462)
Deferred tax under IFRS	8	(46.084.957)	(46.084.957)
Recognition of benefits to personnel	9	(2.966.475)	(2.966.475)
Adjustment to provisions	10	(1.295.619)	(1.295.619)
Total IFRS equity		**$ 548.821.418**	**$ 526.423.204**

RECONCILIATION OF COMPREHENSIVE INCOME	Explanatory Note	31/12/2014
Income according to Colombian accounting standards		**$ 45.419.834**
Plus:		
Retirement of assets	1	228.832
Capitalization of interest to property, plant and equipment	1	5.091.139
Adjustment to intangibles	4	3.372
Adjustment to deferred tax under IFRS	8	735.122
Employee benefits	9	1.685.049
Less:		
Adjustment to investment cost	2	(12.904.524)
Adjustment to depreciation and amortization expense	1	(990.881)
Impairment of fixed assets	1	(232.921)
Adjustment to debtors cost	3	(1.389.903)
Recognition of provisions	10	(409.728)
Total IFRS income		**$ 37.235.391**

RECONCILIATION OF CASH FLOWS	Explanatory note	31/12/2014
Operating flows according to Colombian accounting standards		**$ 153.631.344**
Plus:		
Decrease in property, plant and equipment	1	2.432.105
Decrease in receivables	3	345.886
Decrease in liabilities	7	17.498.573
Decrease in taxes	8	36.585.230
Increase in benefits to personnel	9	(2.259.555)
Increase in investments	2	(45.069.289)
Increase in other assets	5	(5.207.210)
Total IFRS operating flows		**$ 157.957.084**
Financing flows according to Colombian accounting standards		**$ (201.658.029)**
Plus:		
Increase in property, plant and equipment	1	(14.017.060)
Increase in receivables	3	(7.626.973)
Increase in investments	2	(1.279.484)
Decrease in intangibles	4	3.706.119
Decrease in other assets	5	3.306.889
Total IFRS investment flows		**$ (217.568.538)**
Operating flows according to Colombian accounting standards		**$ 44.181.804**
Plus:		
Decrease in liabilities	7	1.568.469
Total IFRS financing flows		**$ 45.750.273**



C. Explanatory notes

(1) The increase in property, plant and equipment is due to: i) recording of fair value of infrastructure leasing contracts for works at Providencia I and III hydroelectric plants and capitalization of interest paid under these contracts; ii) transfer and reclassification as fixed assets of other entries carried under COLGAAP, and iii) estimated value for dismantling of La Ye Mine and its associated tailings. For all other items of property, plant and equipment, the company chose the attributed cost according to IFRS 1 on the date of transition at January 01, 2014; additionally, it adjusted their useful lives according to technical criteria.

The effect of this decision for the attributed cost of property, plant and equipment is shown on the statement of comprehensive income as a $990,881 decrease in depreciation and amortization expense for 2014 with respect to expense under Colombian standards.

For the opening balance sheet the company hired appraisals with an independent appraising firm (Francisco Ochoa Avalúos S.A.S.) for the main groups of property, plant and equipment described below using the market comparative methodology duly updated and validated on January 01, 2014 by the company's experts.

Adjustments to each group of property, plant and equipment in the opening balance sheet for which fair value was used as attributed cost is detailed below:

Description	COLGAAP	Adjustment	Fair value
Land	$ 4.964.788	$ 9.175.272	$ 14.140.060
Constructions and buildings	13.218.914	29.406.437	42.625.351
Machinery and equipment	42.449.091	105.008.895	147.457.986
Transportation fleet and equipment	2.796.108	3.185.383	5.981.491
Aqueducts, plants and networks	33.985.330	(478.878)	33.506.452
Roads	219.271	32.744	252.015
Mines and artesian wells	-	86.449	86.449
Total property, plant and equipment	**$ 97.633.502**	**$ 146.416.302**	**$ 244.049.804**

For all other groups of assets forming part of property, plant and equipment, fair value was established as attributed cost.

The decrease in property, plant and equipment resulted from the transfer of amounts to intangibles and to the retirement of fixed assets that do not comply with IAS 16, as defined in the policy for handling fixed assets under IFRS. Additionally, certain fixed assets were derecognized due to deterioration.

(2) The value of investment increased as a consequence of: i) the adjustment of securities valuation at market prices; ii) the recording of the value of hedging operations that were not included in the accounting under COLGAAP, and iii) the rescission of a pension insurance policy hired with an insurance company in previous years.

The decrease in investments is explained by: i) the valuation at market prices of shares traded in the Colombian Stock Exchange; ii) the transfer of on demand investments to cash equivalents.

(3) The increase in debtors obeys to reclassification of an item that under COLGAAP was classified as deferred liabilities, and to the reclassification of insurance policies.

The decrease in the debtors account originates both in the decline in interest accrued under COLGAAP on a pensions insurance policy hired by the company and in the adjustment to fair value of investment funds managed by stockbrokers.

(4) Balances of deferred accounts according to COLGAAP corresponding to exploration, exploitation and mining projects, as well as software licenses, were transferred to intangibles. The value according to COLGAAP of major spare parts for fixed assets was also transferred from this account.

Also included in the higher value of intangibles is the value of the "freno skip" patent, which is used in the transport of ore and passengers at the La Ye Mine; its useful life is indefinite and is therefore neither depreciated nor amortized.

The decrease of the intangibles account under COLGAAP is explained by the transfer to property, plant and equipment of fixed assets held under financial leasing.

(5) Between January 01 and December 31, 2014, the increase in other assets corresponds mainly to the transfer of assets considered in property, plant and equipment to investment properties (Barú plot).

The decrease is the result of the transfer of biological assets and materials and spare parts to the property, plant and equipment account.

(6) Corresponds to reclassification as cash equivalents of on-demand investments.

(7) The increase in financial liabilities corresponds to the recording of infrastructure leasing contracts (uprating and construction of Providencia I and III hydroelectric plants) and to the recording of hedge contracts that were not accounted for under COLGAAP.

(8) According to Colombian accounting principles, recognition of deferred tax is carried out considering the temporary differences between accounting income and fiscal income, only. Under IFRS, the method used is called "liability method" and considers all temporary differences between book and fiscal bases for both assets and liabilities. The largest effect was due mainly to the recognition of deferred tax on the temporary difference resulting from using the attributed cost option on the transition date.

(9) The increase in employee benefits corresponds to the actuarial valuation carried out to determine the present value of severance payments for workers covered by the labor law in force before Law 50 of 1990, and to the readjustment of the actuarial valuation of retirement pensions payable by the company, with both valuations carried out under IAS 19 guidelines.

Retirement pensions previously recorded in the provisions account under COLGAAP were also transferred to this item.

(10) Corresponds to the increase due to recording of estimates of labor claims, administrative lawsuits, provisions for dismantling of La Ye Mine and other environmental liabilities. The actuarial valuation under COLGAAP was also transferred to the employee benefits account.

(11) Corresponds to recording of employee benefits and hedge contracts and their corresponding deferred tax.

2.3. Accrual accounting basis

The company prepares its financial statements, except for cash flows information, on the basis of accrual accounting.

2.4. Relative importance and materiality

The presentation of economic facts is made according to their relative importance or materiality.

Omissions or inaccuracies are material or have relative importance when they may, individually or as a whole, influence the economic decisions made by users relying on the financial statements. Materiality (or relative importance) depends on the magnitude and nature of the omission or inaccuracy, judged in function of the particular circumstances under which it took place. The entry's magnitude or nature, or a combination of both, could be the determining factor.

2.5. Other significant accounting policies applicable in the preparation of the financial statements

Below is a description of the most significant policies for the company:

2.5.1. Classification of assets and liabilities as current and non current

Assets and liabilities are classified according to maturity – current, those with maturities equal or lower than twelve months, and non-current, those with maturities greater than twelve months.

Assets are classified as current when they are primarily held for trading or when they are expected to be realized in a term no longer than one year after the reporting period, or when they are cash and cash equivalents not subject to restrictions for their exchange, or when they are to be used in the cancellation of a liability at least one year after the reporting period. All other assets are classified as non-current assets.

Liabilities are classified as current when they are primarily held for trading or when they are expected to be liquidated in a term no longer than one year after the reporting period, or when MINEROS S.A. does not have an unconditional right to postpone its liquidation for at least one year after the reporting period. All other liabilities are classified as non-current liabilities.

Derivative instruments to which hedge accounting is not applied are classified as current and non-current, or are separated in current and non-current portions based on the evaluation of the facts and circumstances (i.e., underlying contractual cash flows):

- When MINEROS S.A. holds a derivative to which hedge accounting is not applied, for a period of more than twelve (12) months counted from the reporting date, the derivative is classified as non-current (or is separated in current and non-current portions) so it agrees with the classification of the underlying item.

- Embedded derivatives not closely related to the host contract are classified in a manner that is coherent with the cash flows of the host contract.

- Derivative instruments designated as hedging instruments and which are effective are classified in a manner that is coherent with the classification of the underlying hedged item. The derivative instrument is separated in a cur

2.5.2. Cash and cash equivalents

The company classifies liquid financial assets as cash and cash equivalents, considering as cash equivalents all such investments made as part of the regular management of cash flow surpluses with maturities of less than 90 days and insignificant risk of changes in value.

2.5.3. Inversiones en subsidiarias, asociadas y negocios conjuntos

A subordinate or controlled entity is a corporation in which voting power is subject to the will of other or others that will be its parent or controlling company, either directly, in which case it is called an affiliate, or through the subordinates of the parent company, in which case it is called a subsidiary. Control is established when one or more of the following cases takes place:

A. When more than 50% of capital belongs to the parent company, either directly, or through or with the assistance of its subordinate companies or their subordinates.

B. When the parent company and its subordinates have, jointly or separately, the right to cast the minimum number of votes that make up the deciding majority in the members' or shareholders' meeting, or have the number of votes necessary to elect the majority of the members of the board of directors, should there be such a board.

C. When the parent company, either directly, or through or with the assistance of its subordinates, by reason of an act or business with the controlled corporation or with its shareholders, exercises dominant influence on the decisions of the corporation's administration bodies.

Investments in subordinates are incorporated into the financial statements using the equity method, except when the investment or a portion thereof is classified as held for sale, in which case it is accounted for pursuant to IFRS 5. Pursuant to the equity method, investments in subsidiaries are initially accounted for in the statement of financial position at cost and are subsequently adjusted to account for the participation of the company in profits or losses and in other comprehensive income of the subsidiary.

An associate is an entity over which MINEROS S.A. has significant influence over the decisions regarding financial and operation policies without having control or joint control.

A joint venture is an entity which MINEROS S.A. controls jointly with other participants, where these have a contractual agreement establishing joint control over the entity's relevant activities.

On the date of acquisition, the excess of acquisition cost over the interest in the net fair value of identifiable asses, liabilities and contingent liabilities assumed in the associate or joint venture, is recognized as goodwill. Goodwill is included in the carrying amount of the investment and is neither amortized nor individually subject to value impairment assessment.

Dividends received from the associate or joint venture are directly recognized in income for the period.

MINEROS S.A. periodically analyzes the existence of value impairment indicators, and if necessary, recognizes losses for impairment of the investment in the associate or joint venture. Impairment losses are recognized in income for the period and are calculated as the difference between the recoverable amount of the associate or joint venture, which is the highest between its value in use and its fair value minus the costs necessary for its sale, and its carrying amount.

When significant influence over the associate or joint control over the joint venture are lost, MINEROS S.A. assesses and recognizes at fair value any residual investment it retains in it. The difference between the carrying amount of the associate or joint venture and the fair value of the retained residual investment, and the amount resulting from its sale, is recognized in income for the period.

A joint operation is a joint arrangement under which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities of the arrangement.

In joint operations, MINEROS S.A. recognizes its participation as follows: its assets including its participation in jointly held assets; its liabilities, including its participation in jointly incurred liabilities; its revenue from ordinary activities coming from the sale of its participation in the product arising from the joint operation; its participation in the revenue from ordinary activities coming from the sale of the product carried out by the joint operation, and its expenses, including its participation in the expenses jointly incurred. MINEROS S.A. accounts for assets, liabilities, revenue from ordinary activities and expenses related to its participation in a joint operation according to the guidelines particularly applicable to assets, liabilities, revenue from ordinary activities and expenses.

2.5.4. Functional currency

The functional currency of MINEROS S.A. is the Colombian Peso as this is the currency of the main economic environment where the company operates, that is, in which it generates and expends cash.

The following issues have been considered in order to determine the Colombian Peso as functional currency:

- It is the currency of the main and single economic environment where the corporation carries out its activities.
- It is the currency that primarily influences labor, materials, goods and services costs.

Transactions in foreign currencies are initially recorded at the exchange rates of the functional currency in force on the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency in force on the period's closing date; non-monetary items that are measured at fair value are translated at the exchange rates in force on the date when the fair value was determined, and non-monetary items measured at historic cost are translated at the exchange rates in force on the date of the original transactions.

All exchange differences are recognized in the period's income statement, except for the adjustments originated in interest costs that can be capitalized and exchange differences from loans in foreign currency as long as they are considered adjustments to interest costs.

2.5.5. Ordinary revenue

Revenue from ordinary activities is recognized when it is probable that future economic benefits flow into the company and these can measured reliably. The criterion used for recognition of revenue from ordinary activities in MINEROS S.A. will be applied separately to each transaction.

Revenue from ordinary activities is measured at the fair value of the consideration received or receivable, considering the trade discounts and rebates that the company may grant.

2.5.5.1 Sale of goods

Revenue from the sale of goods in the course of ordinary activities of MINEROS S.A. is measured and recorded in the financial statements provided all of the following conditions are met:

- The company has transferred to the buyer the significant risks and benefits derived from the ownership of the goods; this evaluation will be made considering, among other things, the trading terms established with domestic customers as well as with foreign customers.

- The company does not retain for itself any implication in the current management of the goods sold, in the degree usually associated to ownership, nor does it retain effective control over them.

- The amount of revenue from ordinary activities can be measured reliably.

- It is probable that the company will receive the economic benefits associated with the transaction.

- The costs incurred or to be incurred related to the transaction can be measured reliably.

2.5.5.2 Rendering of services

When the result of a transaction that supposes rendering of services can be estimated reliably, revenue from ordinary activities associated to operations is recognized taking into account the degree of completion of the rendering at the end of the reporting period. The result of a transaction can be estimated reliably provided all of the following conditions are met:

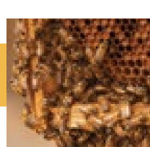
- The amount of revenue from ordinary activities can be measured reliably.

- It is probable that the entity will receive the economic benefits associated to the transaction.

- The degree of completion of the transaction at the end of the reporting period can be measured reliably.

- Costs incurred in delivering the services, as well as those to be incurred until completion, can be measured reliably.

Recognition of revenue from ordinary activities by reference to the degree of completion of a transaction is called the



percentage-of-completion method. Under this method, revenue from ordinary activities is recognized in the accounting periods when the rendering of the service takes place. Recognition of revenues from ordinary activities under this method will provide useful information regarding the measurement of the service activity and its execution along a certain period.

The degree of realization of a transaction may be determined through several methods. MINEROS S.A. will use methods that measure the executed services most reliably. Among the methods to be used, depending on the nature of the operation, are:

- Inspection of works executed.

- Proportion of services executed to date, as a percentage of the total services to be rendered.

- Proportion of costs incurred to date with respect to total estimated operation's cost, calculated in such a way that only costs which reflect services already executed are included in the cost incurred to date, and only the costs which reflect services executed or to be executed are included in the estimation of the operation's total costs.

  When the result of a transaction that implies rendering of services cannot be estimated reliably, the revenue from corresponding ordinary activities will be recognized as such only in the amount of recognized expenses that can be considered recoverable.

  When there is uncertainty regarding the degree of recoverability of a balance already included in revenue from ordinary activities, the amount that cannot be collected or the amount in respect to which the collection has ceased to be probable shall be recognized as expense.

2.5.5.3 Interest, royalties and dividends

Revenue from ordinary activities derived from the use by third parties of company assets that yield interest, royalties and dividends shall be recognized, provided that:

- It is probable that the entity will receive the economic benefits associated to the transaction.

- The amount of revenue from ordinary activities can be measured reliably.

  Revenue from ordinary activities is recognized according to the following bases:

- Interest is recognized using the method of the effective interest rate, which is the interest rate that discounts exactly the future payments and cash collections along the financial instrument's expected life, or a shorter period, as applicable, with respect to the net carrying value of the financial asset or liability. Interest earned is included as financial revenue in the income statement for the period.

- Royalties are recognized using the accrual basis, according to the substance of the agreement upon which they are based.

- Dividends are recognized when the right to receive them as shareholder is established.

2.5.5.4 Relationship between agent and principal

In an agency relationship, gross revenue from economic benefits includes the amounts received on behalf of the principal. However, only the portion of gross revenue that represents the commission for the agent is included in revenue from its ordinary activities.

Determining whether MINEROS S.A. acts as principal or as agent depends on several facts and circumstances and requires professional judgment.

According to MINEROS S.A., a company acts as principal when it is exposed to the significant risks and advantages associated with the sale of goods or the rendering of services, while a company acts as agent when it is not exposed to such risks and advantages. Similarly, MINEROS S.A. considers that a company acts as agent when the amount corresponding to its profit is predetermined, being either a fixed commission per transaction or a percentage of the amount invoiced to the customer.

According to the foregoing, the companies will determine in which cases they act as principal or as agent from the perspective of risks and benefits assumed in the contract; if acting as agent, they shall account for revenue on a net basis, and if as principal, on a gross basis.

2.5.6. Taxes

The country's fiscal structure, the regulatory framework and the plurality of operations makes MINEROS S.A. a passive subject of taxes, duties and contributions of the national and territorial order. Obligations with the State, the provinces, the municipal entities and other active subjects, once the conditions provided in the corresponding regulations are met.

Among the most relevant taxes we detail are income tax, income tax for equity (CREE) and tax on wealth.

a) Income tax

Current tax

Current assets and liabilities for income tax for the period are measured by the amounts expected to be recovered from or paid to the fiscal authority. Income tax expense is recognized in current tax according to the refinement made between fiscal income and accounting profit or loss affected by the income tax rate of the current year and to what is provided in the country's tax regulations. Rates and fiscal regulations used to calculate these amounts are those enacted as at the end of the reporting period, in the country where MINEROS S.A. operates and generates taxable income.

Fiscal profit differs from profit reported in the income statement for the period due to revenue and expense items taxable or deductible in other years and items that shall be neither taxable nor deductible in the future.

Current assets and liabilities for income tax are also offset when related to the same fiscal authority and are intended to be liquidated at their net value or to be simultaneously realized (asset) and liquidated (liability).

Deferred tax

Deferred income tax is recognized using the method of liabilities calculated on the temporary differences between the carrying amounts of assets and liabilities and their fiscal bases. Deferred tax liability is recognized generally for all taxable temporary differences, and deferred tax asset is recognized for all deductible temporary differences and for future offsetting of fiscal credits and fiscal losses not used, only to the extent where it is probable that taxable profits are available to offset. Deferred taxes are not discounted.

Deferred tax liabilities or deferred tax assets are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affected neither the accounting profit nor the fiscal profit or loss, and in the case of deferred tax liability when it arises from the initial recognition of goodwill.
Deferred tax liabilities related to investments in subsidiaries, associates and interests in joint ventures are not recognized when it is possible to control the reversal of temporary differences and it is probable that such differences will not be reversed in the near future; deferred tax assets related to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent where it is probable that the temporary differences will revert in the near future and where future taxable profits against which such deductible differences will be charged are probably available.

The carrying values for deferred tax assets are reviewed on each presentation date and are reduced to the extent where it is not probable that there is enough tax profit to use the totality or a portion of the deferred tax asset. Deferred tax assets not recognized are reassessed on each presentation date and are recognized to the extent where it is probable that future tax profits will allow their recovery.

Deferred tax assets and liabilities are measured at the fiscal rates expected to be applicable in the period when the asset is realized or the liability is canceled, based on the fiscal rates and regulations that were enacted on the date of presentation, or whose approval procedure is expected to be completed at said date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right thereto and it corresponds to the same tax authority.

Current assets and liabilities for income tax are also offset when related to the same fiscal authority and are intended to be liquidated at net value or to simultaneously be realized (asset) and liquidated (liability).

Deferred tax is recognized in income for the period, except that related to items recognized outside income; in this case, it shall be presented in other comprehensive income or directly in equity. When the current tax or deferred tax arises from the initial accounting of business combinations, the fiscal effect is considered within the accounting for the business combinations.

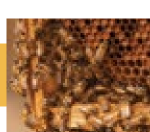
b) Income tax for equity (CREE)

The income tax for equity (CREE) applicable to Colombian companies is the lien contributed by corporations, legal entities and the like who pay income tax and surtax, in benefit of workers, job generation and social investment.

The basis to determine CREE tax cannot be lower than 3% of its net fiscal equity on the last day of the immediately previous taxable period.

Rate applicable for CREE tax is 9% as established in Law 1739 of December, 2014.

For 2015, 2016, 2017 and 2018, Law 1739 of December 23, 2014 established a surtax on CREE payable by its passive subjects which will be applied on taxable bases greater than $800 million at the annual rates of 5%, 6%, 8% and 9%, respectively.



The taxable base of the CREE tax will be established by subtracting returns, rebates and discounts from gross revenues obtained during the year susceptible of increasing equity, and from this result, subtracting what corresponds to revenues not constituting income established in the Fiscal Law. From the net revenue thus obtained, total costs and deductions applicable to the tax shall be subtracted, with exempt income being allowed to be subtracted as established by law.

c) Tax on wealth

For Colombian companies which are income taxpayers, this tax is incurred by the possession of wealth as at January 01 of 2015, 2016 and 2017. Therefore, taxpayers with gross equity minus debts greater than $1,000 million will determine their tax under the conditions established in the tax regulation.

According to the provisions of Article 6 of Law 1739 of 2014, which supplements Article 297-2 of the fiscal law, tax on wealth will accrue on January 01 of 2015, 2016 and 2017, and it can be charged to equity reserves without affecting profits for the year, as established in Article 10 of same law.

2.5.7 Non-current assets held for sale and discontinued operations

Non-current assets and groups of assets for disposal are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use; these assets or groups of assets are presented separately as current assets and liabilities in the statement of financial position at the lowest value between their carrying amount and fair value, minus sales costs, and are not depreciated or amortized once classified as held for sale.

This condition is met if the asset or group of assets are available, in their current conditions, for immediate sale, the sale transaction is highly probable and it is expected to take place in the year following the classification date.

Revenue, costs and expenses from a discontinued operation are presented separately from those from continued operations, in one single entry after income tax, in the statement of comprehensive income of the current period and the comparative period of previous year, even when MINEROS S.A. retains an interest that does not grant control in the subsidiary after the sale.

2.5.8 Biological assets

Biological assets are measured both at the beginning and at the end of the period, at their fair value minus sales costs. Changes in fair value minus sales costs are recognized in income for the period.

2.5.9 Property, plant and equipment

Property, plant and equipment are measured at cost, minus accumulated depreciation and minus accumulated impairment losses, if any. Cost includes the acquisition price, and any costs directly attributable to bringing the asset to the location and conditioning necessary for it to be operable in the manner intended by MINEROS S.A.; borrowing costs for construction projects that take a substantial period of time to be completed, if the recognition criteria are met, and the present value of the expected costs of dismantling the item are capitalized, if the recognition criteria for a provision are met.

Property under construction for administration, production or rendering of services is carried at cost minus any recognized impairment loss. Cost includes professional fees and, in the case of qualified assets, the borrowing costs capitalized according to the accounting policy of MINEROS S.A. Such property is classified under the appropriate categories of property, plant and equipment at the time of culmination and when they are ready for their intended use. The depreciation of these assets, according to the same basis as for other assets in property, begins when the assets are ready for use.

MINEROS S.A. capitalizes as higher value of assets the additions and improvements made to them, as long as they meet any of the following conditions: a) they increase the useful life, b) they expand their productive capacity and operating efficiency, and c) they reduce costs for the company. All other repair and maintenance costs are recognized in the statement of comprehensive income as incurred, except when they increase the useful life, or the productive capacity and efficiency, in which case, they can be capitalized as long as they meet the conditions.

Initial depreciation when the asset is available for use is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Asset	Components	Value Components	Value Residual	Final Disposal	Impairment Assessment	Useful Life
Bucket dredges	YES	70 SMMLV	YES	Sale	Yearly	Alluvial max.
Suction dredges	YES	70 SMMLV	YES	Sale	Yearly	Alluvial max.
Hydroelectric Plant	YES	30 SMMLV	YES	Sale	Yearly	Up to 30 years
Heavy machinery	YES	50 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
Processing plant	YES	70 SMMLV	YES	Sale	Yearly	Vein max.
Constructions and buildings	NO	70 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
Air transport	YES	30 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
River transportation equipment	NO	30 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
Land transportation equipment	NO	35 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
Water treatment plant	YES	35 SMMLV	YES	Gift	Yearly	Alluvial or vein max.
Vein mine equipment	NO	20 SMMLV	YES	Scrap sale	Yearly	Vein max.
Workshop machinery	NO	20 SMMLV	YES	Sale	Yearly	Alluvial or vein max.
Exploration drills	NO	25 SMMLV	YES	Scrap sale	Yearly	Vein max.
Alluvial drills	NO	30 SMMLV	YES	Scrap sale	Yearly	Alluvial max.
Cranes and traveling cranes	NO	30 SMMLV	YES	Scrap sale	Yearly	Alluvial or vein max.
Geology equipment	NO	25 SMMLV	YES	Scrap sale	Yearly	Alluvial max.
Roads	NO	170 SMMLV	NO	Gift	Yearly	Alluvial or vein max.

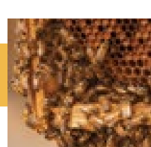
MINEROS S.A. calculates depreciation by components, which implies individual depreciation of the asset components that have useful lives different from that of the asset. Depreciation is done by the straight-line method; residual value is calculated for the assets and is not part of the depreciable amount.

MINEROS S.A. chooses the cost model as accounting policy for property, plant and equipment, except for real estate property (land and civil works) which will be treated under the revaluation model.

MINEROS S.A. will start the depreciation process from the moment the asset is in conditions for use, both for bought assets and for constructed assets.

The depreciation method will be reviewed every year; any change in estimation will be accounted for prospectively.

Assets residual values, useful lives and depreciation methods are reviewed and adjusted prospectively at each closing date, if required.



2.5.10. Intangible assets

2.5.10.1 Intangible assets acquired separately – Intangible assets with defined useful life acquired separately are carried at cost minus any accumulated amortization and accumulated impairment losses. Amortization is recognized based on the straight-line method over their estimated useful life. The estimated useful life and depreciation method are reviewed at the end of each reporting period, and any changes in estimates are recorded prospectively. Intangible assets with indefinite useful life that are acquired separately are carried at cost minus any accumulated impairment losses.

2.5.10.2 Intangible assets generated internally - research and development expenditures – Expenditures from research activities are expensed in the period they are incurred.

Intangible assets generated internally as a result of development activities (or of the development stage of an internal project) are recognized, only if the following conditions are met:

- It is technically feasible to complete the production of the intangible asset so that the asset will be available for use or sale;
- Its intention to complete the intangible asset for use or sale;
- Its ability to use or sell the intangible asset;
- The manner in which the asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- Its ability to measure reliably the expenditure attributable to the intangible asset during development.

Intangible assets internally generated are initially recognized at an amount that is the total incurred expenditure from the moment the element meets the conditions for recognition established above. When an internally generated intangible asset cannot be recognized, development expenditures are carried to profit or loss in the period when they are incurred.

Subsequent to initial recognition, internally generated intangible assets will be carried at cost minus accumulated amortization and any accumulated impairment losses, on the same basis as separately acquired intangible assets.

2.5.10.3 Derecognition of intangible assets – Intangible assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

2.5.10.4 Impairment of tangible and intangible assets excluding goodwill – At the end of every reporting period, the company assesses the carrying value of its tangible and intangible assets in order to determine whether there is an indication that an asset may be impaired. In such case, the asset's recoverable amount is estimated in order to determine the scope of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the company calculates the recoverable amount of the cash generating unit to which such asset belongs. When a reasonable and consistent distribution basis is identified, common assets are also assigned to individual cash-generating units, or distributed to the smallest group of cash-generating units for which identification of a reasonable and consistent distribution basis is possible.

Intangible assets with indefinite useful lives or not yet available for use must be tested for impairment annually, or more frequently when there are indications that the carrying value may be impaired.

The recoverable amount is the highest between fair value minus costs of disposal and its value in use. When assessing value in use, estimated future cash flows are discounted from the current value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks to the asset for which estimated future cash flows have not been adjusted.

When the calculated recoverable amount of an asset (or cash-generating unit) is lower than its carrying value, the carrying value of the asset (or cash-generating unit) is reduced to its minimum recoverable amount. Impairment losses are immediately recognized in the statement of profit or loss, except if the asset is carried at a revalued amount, in which case the impairment loss must be considered as a decrease in revaluation.

When an impairment loss is subsequently reverted, the carrying value of the asset (or cash-generating unit) increases to the revised estimated recoverable amount, in such a manner that the increased carrying value does not exceed the carrying value that would have been calculated had an impairment loss not been recognized for said asset (or cash-generating unit) in previous years. Reversal of an impairment loss is automatically recognized in the statement of profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.5.11. Assessing and recognition of intangible assets

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired in business combinations is measured at fair value on the date of acquisition. After initial recognition, intangible assets are carried at cost minus any accumulated amortization and any accumulated impairment loss. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in the statement of comprehensive income.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life under the straight-line method, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits of the asset are accounted for when modifying the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in the income statement of the period in the expense category that is consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether said indefinite life is still valid. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when MINEROS S.A. can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- That the asset will generate future economic benefits;
- The availability of resources to complete the asset; and
- The ability to measure reliably the expenditure during development.

In the statement of financial position, development expenditure for the asset is carried at cost minus any accumulated amortization and accumulated impairment losses.

Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the development period, the asset is tested annually for impairment.

Research and development costs that do not qualify for capitalization are accounted for as expenses in income for the period.

Other intangible assets

Other intangible assets such as service concessions, licenses, software, exploitation rights, marks and similar rights acquired by MINEROS S.A. are measured at cost minus accumulated amortization and any impairment losses.

2.5.12 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease, if fulfillment of the arrangement is dependent on the use of a specific asset or assets, or if the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease or as an operating lease. A lease that transfers substantially all the risks and benefits incidental to ownership to the lessor is classified as a finance lease; otherwise it is classified as an operating lease.

a) MINEROS S.A. as lessee

Assets received under financial lease are recognized and presented as assets in the financial position statement at the inception of the lease for the fair value of the leased asset or the present value of the lease's minimum payments, whichever is lower. The corresponding liability is included in the financial position statement as a financial lease liability.

Assets received under financial lease are depreciated along the useful life of the asset through the straight-line method. However, if there is no reasonable certainty that MINEROS S.A. will obtain ownership by the end of the lease term, the asset is depreciated over the estimated useful life of the asset or the lease term, whichever is lower. Lease payments are apportioned between financial expenses and reduction of the liability. Finance charges are recognized in the statement of comprehensive income unless they can be directly capitalized, in which case, they are capitalized according to the entity's policy for borrowing costs. Contingent lease payments are expensed as incurred.

Operating lease payments, including incentives received, are expensed in the statement of comprehensive income linearly over the lease term, except if there is a more representative basis that adequately reflects the temporary pattern of the lease benefits for the user.

b) MINEROS S.A. as lessor

Assets delivered under financial lease are not presented as property, plant and equipment since risks associated to ownership have been transferred to the lessee; instead, they are recognized as financial assets.

Land and buildings delivered under operating lease are presented as investment properties, and all other assets delivered under operating lease are presented as property, plant and equipment. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and expensed over the lease term on the same basis as rental income. Revenue from financial leases is distributed during the lease term so as to reflect a constant rate of interest on net investment. Contingent rents are recognized as revenue in the period in which they are earned.

2.5.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to be ready for its intended use or sale are capitalized as part of the cost of the asset. Revenue received from the temporary investment in specific loans pending consumption in qualified assets is deducted from the borrowing costs apt for capitalization. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that MINEROS S.A. incurs in connection with the borrowing of funds.

2.5.14 Investment property

Investment properties are those held to obtain rentals and/ or capital revaluations (including investment properties under construction for such purposes). Investment properties are measured initially at cost, including transaction expenses. The carrying value includes the cost of replacement or substitution of a part of an investment property existing at the time the cost is incurred, provided the recognition criteria are met, and excludes daily maintenance costs of the investment property.

Subsequent to initial recognition, investment properties are carried at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the period's income statement, for the period in which they arise.

Investment properties are derecognized, either upon their disposal or when permanently recalled from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income, on income for the period, for the period when the asset is derecognized.

Transfers to or from investment property are made only when there is a change in use. In the case of a transfer from an investment property to property, plant and equipment, the cost for subsequent accounting is the fair value at the date of change in use. If a property part of property, plant and equipment becomes an investment property, it will be accounted for at fair value; the difference between fair value and carrying value will be accounted for as revaluation under IAS 16.

2.5.15 Financial instruments

Financial assets and liabilities are recognized in the statement of financial position when MINEROS S.A. becomes a party, under the contractual terms of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities accounted for at fair value with change in income) are added or deducted from the fair value of financial assets and liabilities, when appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities accounted for at fair value with change in income, are recognized immediately in income for the period.

Financial assets

MINEROS S.A. classifies its financial assets at initial recognition for their subsequent measurement at amortized cost (receivables) or at fair value (investment portfolio), according to the business model chosen to manage financial assets and the instrument's characteristic contractual cash flows.

A financial asset is subsequently measured at amortized cost, using the effective interest rate if the asset is held in a business model whose goal is to hold them in order to obtain the contractual cash flows and the contractual terms it grants, at specific dates, cash flows which are principal payments and interest on outstanding capital, only. Without limitation upon the above, MINEROS S.A. may designate a financial asset irrevocably as carried at fair value with changes in income.

Impairment of financial instruments

Assets at amortized cost are tested for impairment on the date of the reporting period. When there is objective evidence that a financial asset at amortized cost has been impaired, the amount of the loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the original effective interest rate of the investment. Impairment losses are recognized in income for the period.
MINEROS S.A. first evaluates whether there exists individual objective evidence of impairment for financial assets, or collectively for financial assets that are not individually significant or when there is no objective evidence of impairment for financial assets evaluated individually. When collectively evaluating impairment, receivables with similar credit risk characteristics are grouped together in order to allow identification of the debtor's payment capability, according to the receivables' contractual terms of negotiation.

Objective evidence that an asset or group of assets is impaired includes:

a. Significant financial difficulties of the issuer or obligee;

b. Violations of contractual terms such as defaults or delays in payment of interest or principal;

c. The lender has granted concessions or advantages that would have not been obtained under different circumstances;

d. It is probable that the borrower will enter bankruptcy or other type of financial reorganization;

e. The disappearance of an active market for said financial asset.

If in subsequent periods the impairment loss decreases and the decrease can be objectively related to the event that originated the impairment recognition, the previously recognized impairment loss shall be reverted, guaranteeing that the carrying value of the financial asset exceeds the amortized cost that would have been determined had the impairment loss not been accounted for on the reversal date. The amount of the reversal will be recognized in income for the period.

Financial assets other than those at amortized cost are measured subsequently at fair value with any changes recognized in the period's income. When disposing of investments at fair value through other comprehensive income, the accumulated amount of profit or or loss is transferred directly to retained earnings and not reclassified to the period's income. Dividends received from these investments are recognized in the period's income statement.

The category of fair value through results includes investments made to optimize cash surpluses, that is, all proceeds that are not immediately earmarked for development of the activities that make up the corporate purpose. Investment of liquidity surpluses is carried out with criteria for transparency, safety, liquidity and return, with guidelines for adequate control and in non-speculative market conditions.

Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or equity depending on the substance of the contractual agreement and the definitions of financial liability or equity instrument.

Financial liabilities

MINEROS S.A. classifies financial liabilities, at initial recognition, as financial liabilities at amortized cost or at fair value with changes in income.

Financial liabilities at fair value with changes in income include liabilities held for trading and financial liabilities designated upon initial recognition as at fair value with changes in income and derivatives. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Financial liabilities at amortized cost are measured using the effective interest rate. Gains or losses are recognized in the statement of comprehensive income when liabilities are derecognized, and also through the amortization process under the effective interest rate method that is included as financial cost in the comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by MINEROS S.A. are those contracts that require a payment to be made to reimburse the holder for a loss incurred when the specified debtor fails to make a payment in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher value between the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognized minus accumulated amortization.

Derecognition of financial assets and liabilities

A financial liability, or part of it, is derecognized in the statement of financial position when it is sold or transferred, or when it expires, or when MINEROS S.A. loses control over the contractual rights or over the cash flows of the instrument.

If the entity does not transfer nor substantially retains all the risks and advantages inherent to its ownership and it continues to retain control over the transferred asset, the entity shall recognize its participation in the asset and associated liability for the amounts it would have to pay. If all the risks and advantages inherent to ownership of a transferred financial asset are retained, the entity will continue to recognize the financial asset and will also recognize a loan collaterally guaranteeing obtained revenues.

In total derecognition of a financial asset, the difference between the carrying value of the asset and the sum of the consideration received and receivable as well as the accumulated income that would have been recognized in other comprehensive income and accumulated in equity is recognized in income for the period. In case of partial derecognition of a financial asset (that is, when MINEROS S.A. retains an option for reacquiring a portion of a transferred asset), the entity distributes the previous carrying value of the financial asset between the portion it continues to recognize under continuous participation and the portion that it will no longer recognize on the basis of the relative fair value of such portions on the transfer date. The difference between the carrying value assigned to the portion that will no longer be recognized and the sum of the consideration received by the portion that will no longer be recognized and any assigned accumulated gain or loss that would have been recognized in other comprehensive income, is recognized in income for the period. The accumulated gain or loss that has been recognized in other comprehensive income is distributed between the portion that continues to be recognized and the portion that will no longer be recognized based on the relative fair values of both portions.

A financial liability or a portion thereof is derecognized in the statement of financial position when the contractual liability has been settled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of an existing financial liability are substantially modified, said exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the separate statement of financial position only if there exists (i) a currently enforceable legal right to offset the recognized amounts, and (ii) an intention to settle on a net basis or to simultaneously realize assets and settle liabilities.

Financial derivative instruments

MINEROS S.A. uses derivative financial instruments, such as forward contracts and options to hedge several financial risks, mainly foreign currency risks and commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried in the statement of financial position as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

The fair value of commodities contracts that meet the definition for a derivative but which are entered into according to the purchase requirements expected by MINEROS S.A. are recognized in the statement of comprehensive income as cost of sales.

Any gain or loss arising from the changes in fair value of derivatives is recognized directly in the statement of comprehensive income, except those included under hedge accounting.

Derivatives embedded in host contracts are treated as separate derivatives when they meet the definition for a derivative and when their risks and characteristics are not closely related to such host contracts and the contracts are not measured at fair value with change in results.

Hedge accounting

At the inception of a hedge relationship, MINEROS S.A. formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction and the nature of the risk being hedged.

MINEROS S.A. has cash flow hedges through derivatives with gold and US Dollar embedded assets. These transactions are established to mitigate risks arising from the gold market and the exchange market.

Once they meet the strict criteria for hedge accounting, hedges are classified and accounted for, as described below:

- Fair value hedges, when they hedge against changes in fair value of recognized assets and liabilities or non-recognized firm commitments.

The change in the fair value of a hedging instrument is recognized in the statement of comprehensive income as financial cost or revenue. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of comprehensive income as financial cost or revenue.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through the statement of comprehensive income over the remaining term of the hedge. Effective interest rate amortization may begin as soon as an adjustment to the carried value of the hedged item exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. Amortization of adjustments to carrying value is based on the effective interest rate recalculated on the date of commencement of amortization. If the hedged item is derecognized, the unamortized fair value is recognized immediately in the income statement.

When an unrecognized firm commitment is designated as a hedged item, the subsequent accumulated change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the statement of comprehensive income.

- Cash flow hedges, when they hedge against changes in cash flows attributable either to a particular risk associated to a recognized asset or liability or to a highly probable foreseen transaction, or to the exchange rate risk in a non-recognized firm commitment.

The purpose of cash flow hedge accounting is to recognize the variations in fair value of the hedging instrument in other comprehensive income (equity), in order to apply said variations to income accounts when and as the hedged item affects these. The ineffective portions of the derivative shall only be recognized in the income account as they arise.

The effective portion of the gain or loss on the hedging instrument measurement is recognized immediately as other comprehensive income, while the ineffective portion is recognized immediately in the statement of comprehensive income.

Amounts recognized as other comprehensive income are reclassified to the statement of comprehensive income when the hedged transaction affects income, when the hedged financial revenue or financial expense is recognized, or when the foreseen transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are reclassified to the initial carrying amount of the non-financial asset or liability. If the foreseen transaction or firm commitment is no longer expected to happen, accumulated gains or losses previously recognized as other comprehensive income are reclassified to the statement of comprehensive income.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any accumulated gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the foreseen transaction or the firm commitment affects income.

- Hedges of a net investment abroad, when they cover exposure to variations in translation of operations abroad to the presentation currency of MINEROS S.A. associated to exchange rate risk.

The objective for hedges of a net investment in foreign currency is to hedge against exchange rate risks of a parent or intermediate company with operations abroad, on the impact on translation of financial statements from the functional currency to the presentation currency. Hedges of a net investment in foreign currency are hedges to exposure in foreign currency and are not hedges of fair value for changes in the value of the investment.

Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as as other comprehensive income, while any gains or losses relating to the ineffective portion are recognized in the statement of comprehensive income. On disposal of the foreign operation, the accumulated value of any such gains or losses recorded in other comprehensive income is reclassified to the statement of comprehensive income.

Equity instruments

An equity instrument is any contract evidencing a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by MINEROS S.A. are recognized for the revenue received minus direct issuance costs.
The company's own equity instruments that are reacquired are recognized at cost and deducted from equity. No gain or loss is recognized in income on the purchase, sale, issue or cancellation of the company's own equity instruments.

Classification as debt or equity

Financial liabilities at fair value with changes in income include liabilities held for trading, financial liabilities designated upon initial recognition as at fair value with changes in income, and derivatives. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. Upon initial recognition, MINEROS S.A. designated financial liabilities as at fair value with changes in results (derivatives).

Financial liabilities at amortized cost are measured using the effective interest rate. Gains or losses are recognized in the statement of comprehensive income when liabilities are derecognized, and also through the amortization process under the effective interest rate method that is included as financial cost in the comprehensive income.

2.5.16 Inventories

Goods acquired with the intention to be sold during the ordinary course of business or to be consumed in the process of service rendering are classified as inventories.

Inventories are valued at cost or at net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, minus estimated costs of completion and the estimated costs necessary to make the sale. Inventories correspond only to spare parts, materials and consumables used in the mining operation.

Inventories are valued using the weighted average method and their cost includes costs directly related to procurement and those incurred in providing their current condition and location.

2.5.17 Impairment of non-financial assets

MINEROS S.A. assesses at each reporting date whether there is an indication that an asset may be impaired. MINEROS S.A. estimates the recoverable amount of the asset or the cash-generating unit when any impairment indication exists, or annually (on December 31) for intangible assets with indefinite useful life and those not yet in use.

An asset's recoverable amount is the highest value between an asset's or cash-generating unit's fair value minus sales costs and its value in use, and is determined for an individual asset, unless the asset does not generate cash flows that are largely independent from those of other assets or groups of assets, in which case, the asset shall be grouped with a cash-generating unit. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

When assessing value in use, the estimated cash flows, whether of an asset or a cash-generating unit, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the asset's specific risks. In determining fair value minus sales costs, an adequate valuation model is used.

Impairment losses of continuing operations are recognized in the statement of comprehensive income under the expense categories corresponding to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are assigned proportionally, based on each asset's carrying value, to non-current assets of the cash-generating unit.

Impairment of goodwill is determined by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill is related. Impairment losses relating to goodwill cannot be reversed in future periods.

For assets in general, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, MINEROS S.A. estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income for the period.

2.5.18 Provisions

Provisions are recognized when MINEROS S.A. has a present obligation (legal or constructive), as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When MINEROS S.A. expects a provision, or part thereof, to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain and the amount of the asset can be measured reliably. Provisions are measured at the best management estimate of the expenditures required to settle the current obligation, at the end of the reporting period, taking into account corresponding risks and uncertainties. When estimated cash flow required settling the current obligation is used to measure a provision, its carrying value corresponds to the present value of such cash flow, and the discount rate used is calculated by reference to the market returns of bonds issued by the National Government. In Colombia, the return of Treasuries (TES) issued by the National General Treasury at the end of the reporting period shall be used. Expenditure corresponding to any provision is presented in the period's statement net of any reimbursement. The increase of the provision due to the passage of time is recognized as financial expense.

Decommissioning provision

MINEROS S.A. recognizes the estimate of future costs expected to be incurred by the company to carry out decommissioning or restoration as part of a particular fixed asset's cost, provided there is a legal or implicit obligation to decommission or restore, and its contra entry is recognized as a provision for decommissioning or restoration costs. The decommissioning cost is depreciated along the estimated useful life of the fixed asset.

Decommissioning costs are recognized at the present value of expected costs for settling the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that is the company's average indebtedness rate.

The estimated future costs of decommissioning are reviewed annually. Changes in estimated future costs, estimated disbursement dates or in the applied discount rate, are added to or deducted from the cost of the asset without exceeding the asset's carrying value; any excess is recognized immediately in the period's income.

Onerous contracts

MINEROS S.A. recognizes current liabilities derived from an onerous contract as provisions. An onerous contract is a contract where unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

Contingent liabilities

Eventual obligations arising from past events and whose existence will be confirmed only by the occurrence or not occurrence of one or more uncertain future events not completely under the control of MINEROS S.A., or current obligations arising from past events, but that is not probable but possible, that an outflow of funds that includes economic benefits be required to settle the obligation or the amount of the obligation cannot be measured with enough reliability, are not recognized in the statement of financial position, but rather are disclosed as contingent liabilities when their occurrence is probable. Contingent liabilities originated in a business combination that are recognized at fair value on the date of acquisition, are subsequently measured at the higher value that should be recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized, minus accumulated depreciation recognized in accordance with IAS 18 Revenue from Ordinary Activities.

Contingent assets

Assets of eventual nature resulting from past events, whose existence is to be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events that are not entirely under the control of MINEROS S.A., are not recognized in the statement of financial position, but rather are recognized as contingent assets when their occurrence is probable. When the contingent fact becomes true, the asset and the associated revenue are recognized in the period's income. Contingent assets acquired in a combination of businesses are measured initially at fair value on the date of acquisition. At the end of subsequent reporting periods, such contingent assets are measured at the highest value between the amount that would have been recognized and the amount initially recognized minus any recognized accumulated amortization.

2.5.19 Pensions and other post-employment benefits

Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the period's income statement at the moment when the employee has rendered the service that grants him the right to make the contributions.

Defined benefit plans

Post-employment benefit plans are those where MINEROS S.A. has the legal or implicit obligation to answer for the payments of benefits left under its charge.

In the defined benefit plans, the difference between the fair value of the plan's assets and the present value of the liability of the plan is recognized as an asset or a liability in the statement of financial position. The cost of offering benefits under the defined benefit plans is determined separately for each plan through the actuarial valuation of the projected credit unit method using actuarial assumptions at the date of the reporting period. The plan's assets are measured at fair value, which is based on market price information, which for quoted securities is the published purchase price.

Actuarial gains and losses, the return on the plan's assets and the changes of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), are recognized as other comprehensive income. Actuarial gains and losses include effects of changes in actuarial assumptions as well as past experience adjustments.

Net interest on liabilities (assets) for net defined benefits includes revenue from interest for the plan's assets, interest costs for the defined benefit obligation and interest for the effect of the asset ceiling.

Current service costs, past service costs, any settlement or curtailment of the plan are immediately recognized in the statement of income of the period when they arise.

- MINEROS S.A. classifies as short-term benefits to employees those obligations with employees expected to be settled within the twelve months following the closing of the accounting period in which the obligation has accrued or the service has been rendered. Some of these benefits arise from labor laws in force, from collective bargaining agreements or from non-formalized practices that generate implicit obligations.

- MINEROS S.A. recognizes short-term benefits in the moment the employee has delivered his services as:

  A liability for the amount that will be returned to the employee, deducting amounts already paid, and its contra entry as period expenses, unless another chapter binds or allows to include payments in the cost of an asset or inventory; for example, if the payment corresponds to employees whose services are directly related to construction of a work, it will be capitalized to said asset.

  Amounts already paid correspond, for example, to salary advances or per diem advances, among others, which, in case they exceed the corresponding liability, the company must recognize the resulting difference as an asset in the prepaid expense account, as long as the prepayment gives rise to a reduction in payments to be made in the future or to a cash reimbursement.

  According to the above, the accounting recognition of short-term benefits is made when the transactions occur, regardless of when they are paid to the employee or to the third parties to whom the company has entrusted the delivery of certain services.

- MINEROS S.A. classifies as long-term benefits to employees the obligations it expects to settle after the twelve months following the accounting closing date or the period when the employees render the related services, that is, from the thirteenth month onwards; they are different from short-term benefits, post-employment benefits and benefits for contract termination.

  MINEROS S.A. measures long-term benefits in the same manner as defined post-employment benefit plans; although their measurement is not subject to the same uncertainty degree, the same measurement methodology will be applied as follows:

- The company shall measure the surplus or deficit in long-term employee benefit plans using the method applied to post-employment benefits, for the estimation of the plan's liability as well as its assets.

- The company shall determine the net amount of long-term employee benefits (liability or asset) by finding the deficit or surplus of the obligation and comparing the asset ceiling.

Benefits received by employees year after year along their working life shall not be considered long-term if at each accounting closing date the company has delivered them in full.

2.5.20 Fair value

Fair value is the price that would be received when selling an asset or paying to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of the price being directly observable or estimated through another valuation technique. When estimating the fair value of an asset or liability, MINEROS S.A. takes into account the characteristics of the asset or liability if market participants take into account said characteristics when valuing the asset or liability on the measurement date. The fair value for matters of measurement and/or disclosure in these financial statements is determined on such basis, except for transactions of share-based payments, lease transactions and measurements that have some similarities with fair value but are not fair value, such as realizable value and value in use. The fair value of all financial assets and liabilities is determined on the date of presentation of financial statements for recognition or disclosure in the notes to the financial statements.

Fair value is determined:

- o Based on prices quoted in active markets for assets and liabilities identical to those to which the company can have access to on the measurement date (level 1).

- o Based on valuation techniques commonly used by market participants that use variables different from quoted prices directly or indirectly observable for assets and liabilities (level 2).

- o Based on internal valuation techniques of cash flows discount or other valuation models, using variables estimated by MINEROS S.A. unobservable for the asset or liability, in absence of variables observed in the market (level 3).

Note 39, Measurement of Fair Value provides an analysis of fair values of financial instruments and non-financial assets and liabilities and more details about their measurement.

3. Accounting estimates and significant judgments of separate financial statements

Estimates and criteria used are continuously assessed and are based on historical experience and other factors, including the expectation of occurrence of future events that under the circumstances are considered reasonable.

The company makes estimates and assumptions with respect to the future. Accounting estimates resulting by definition will very rarely be the same as actual results. Estimates and assumptions which have a significant risk of causing material adjustment to the balances of assets and liabilities next year are presented below:

A. Evaluation of the existence of impairment indicators for assets and valuation of assets to determine the existence of impairment losses.

The status of assets is reviewed on each date of presentation of reports; impairment indicators are reviewed in order to determine whether there are indications that any of them have suffered an impairment loss. If there is an impairment loss, the recoverable amount of the asset is affected; if the recoverable amount is lower, it is reduced until its fair value and an impairment loss is immediately recognized in results.

The evaluation of existence of impairment indicators is based on external and internal factors, and also on quantitative and qualitative factors. Evaluations are based on financial statements, legal, social and environmental settings, market conditions, significant changes in the scope or manner the asset or cash-generating unit is used or is expected to be used, and evidence about obsolescence or physical deterioration of an asset or cash-generating unit, among others.

B. The useful life and residual values of property, plant and equipment and intangibles.

In the assumptions and hypotheses used to determine useful lives, technical issues such as the following are considered: periodic maintenance and inspections of assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, manufacturers' recommendations, climate and geographic conditions, and experience of technicians familiar with the assets. Issues such as market values, reference magazines and historical sales data are considered in the determination of the residual value.

C. Probability of occurrence and the amounts of uncertain value liabilities or contingent liabilities.

Assumptions used for uncertain value or contingent liabilities include the qualification of the legal process by the "expert opinion" of professionals of each area, the type of contingent liability, the possible legislation changes and the existence of case law applicable to the concrete case, and the study and thorough analysis of the issue.

D. Income tax

The company and its legal counsels apply their professional criteria to determine income tax provision. There are many transactions and calculations for which the final tax determination is uncertain during the normal course of business. The company recognizes liabilities for situations observed during preliminary tax audits on the basis of estimates of whether payment of additional taxes is necessary. When the final tax result of these situations is different from the amounts initially recorded, the differences are charged to current income tax and deferred asset and liability in the period when the fact is determined.

E. Deferred taxes

Deferred taxes on investment property – In order to determine deferred tax liability and deferred tax asset for investment properties that are measured using fair value mode, management reviewed the portfolio of investment properties and concluded that none of the investment properties of the company is held under a business model whose goal is to substantially consume all the economic benefits generated by the investment property in time, but rather through its sale. Therefore, in determining deferred taxes on investment property, management determined that the assumption that the carrying value of such property measured using the fair value model is fully recovered through the sale has not been challenged.

F. Fair value of financial instruments

The fair value of financial instruments that are not market traded is determined using valuation techniques allowed by IFRS that are in line with those established by the Financial Superintendency.

G. Benefits for pension plans

The present value of liabilities for pension plans depends on a series of factors that are determined on actuarial bases using a number of assumptions. Assumptions used in determining the net cost for pensions include the discount rate. Any change in these assumptions will have an impact on the carrying value of the liability for pension plans.

The company determines the best discount rate at the end of each year. This is the rate that must be used to calculate the present value of estimated future cash outflows that are foreseen to be required to settle the liabilities for pension plans. In determining the most adequate discount rate, the interest rates of Government bonds (TESB curve) denominated in real value units (UVR for its Spanish acronym) with maturity terms similar or close to the terms of the respective liabilities for pension plans are considered.

Other key assumptions while establishing liabilities for pension plans are based in part on current market conditions. Notes 22 and 24 of provisions present additional information on the subject.

H. Recoverability of mining exploration projects

Management evaluates the recoverability of the company's mining exploration projects on a yearly basis. . This situation is closely monitored by management with adjustments in future years if pertinent.

4. Management of financial risks

The main issues in financial risk management are stated below:

4.1 Financial risk management objectives and policies

The company manages risks inherent to the operation of the activities within its corporate purpose, as well as those derived from the results of investments of cash surpluses and treasury transactions. The company does not carry out investments, transactions with derivatives or purchase and sale of foreign currencies with speculative purposes.

The company has exposure to market risk, credit risk, liquidity risk, risk of concentration of issuers and operating risk. Management supervises the administration of these risks, establishes limits for the different types of risks and systems for their permanent control in order to obtain maximum return and safety, strictly complying with regulations in force. MINEROS S.A. has an interdisciplinary group and established policies for risk management approved by the Board of Directors and the Financial Committee. The financial committee guarantees the Chairman that the company's activities regarding financial risks are controlled by adequate policies, indicators and procedures and that financial risks are identified, valued and managed in accordance with the company's risk policies and objectives. All activities for mitigating and managing financial risks are carried out by internal specialists with adequate abilities, experience and supervision.

4.1.1. Market risk

Market risk is the risk derived from the fluctuation of the fair value of future cash flows due to changes in market prices. Market risk comprises four types of risk: a) exchange rate risk, b) risk of variations in basic metals prices, c) interest rate risk, and d) other price risks, such as the price of a share.

A. Exchange rate risk

Exchange rate risk is the risk derived from fluctuations of the fair value or future cash flows due to variations in the market representative rate (MRT). The company's exposure to this risk derives from the business operation. Cash flows from sales of the commodity are denominated in Dollars and derivatives are used to mitigate the risk of fluctuations in the exchange rate. Options and forwards are the usual instruments, as set forth in the investment policy.

B. Basic metals price risk

The international quote of gold prices has a material impact on the company's operations. The quote of basic metals traded by the company has historically fluctuated and is affected by exogenous variables (macroeconomic and geopolitical, among others) that are not under the company's control. This risk derives from the business operation and materializes by exposure to fluctuations on the price of the commodity as final product of the operation. Derivatives such as forwards and options are used to mitigate this risk according to market analysis, the investment policy and guidelines of the Board of Directors.

C. Interest rate risk

Exposure to this risk is associated to fluctuations in interest rates of asset and liability positions.

D. Other price risks

Basically, risk linked to price movements of a determined financial instrument. Volatility is high if the financial instrument is subject to large price fluctuations in a determined period of time. Volatility risk is calculated as the difference between the minimum and maximum prices of the financial instruments for the period of time considered. Risk is represented differently depending on the different types of financial instruments.

4.1.2. Credit risk

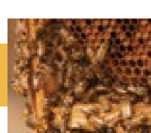
The company's credit risk originates in the inability of debtors to meet their obligations, or in the eventual loss arising from default on financial obligations incurred by issuers of financial instruments in which the company has invested.

The company deposits its liquidity surpluses in financial institutions of first order, with minimum ratings of <A- for international investments and not lower than AA/DP1 for national investments. Additionally, it establishes conservative credit policies and constantly evaluates the market conditions in which they act, and for this purpose, it performs quantitative and qualitative risk assessments for its commercial, investment and credit operations.

Trade receivables are invoiced in US Dollars and mature on the issue date; the amount becomes effective a few days after maturity. All sales are made to customers abroad with good credit ratings.

4.1.3. Liquidity risk

Exposure to liquidity risk exists in investments made by the company and is the potential loss that may arise for the impossibility of carrying out a transaction at market prices due to a low trading frequency of the asset. To mitigate this risk the specific issue and the type of title are analyzed with the issuer, and then the scale used by stockbrokers to invest in liquid securities and lower risk materialization is followed.



The company's liquidity policy goes in line with working capital flow, complying with payment commitments to suppliers and financial institutions. It is supported on the preparation of cash flows and budgets which are reviewed periodically, allowing to determine the treasury position necessary to meet liquidity needs.

4.1.4. Concentration risk

It is the risk exposure of a portfolio due to its concentrated position in a specific issuer or economic group. To mitigate this risk the company uses the Herfindahl index as an indicator, which measures the concentration risk of the issuer as an economic group. This indicator is measured monthly to adjust to the parameters established in the investment policy.

4.1.5. Operating risk

This risk is minimized by using framework or ISDA contracts, national and international custodians, and by channeling operations through market agents and stockbrokers.

4.2 Management of capital risks

The company's investment policy establishes general principles which guide investments, management of financial instruments and administration of capital. It also establishes limits for the different types of risks and their permanent control systems so as to obtain maximum return and safety, returns for shareholders, benefits for other stakeholders, and optimal capital structure to reduce the cost of capital. All this, in strict compliance with regulations in force.

In order to maintain or adjust capital structure, the indicator is periodically monitored, maintaining the optimal indebtedness level, adjusting amounts paid to shareholders as dividends and applying optimal treasury leverage strategies.

In line with industry standards, the company monitors its capital through leverage ratio. This ratio is calculated by dividing net debt by total capital. Net debt is equal to total indebtedness (current and non-current). Total capital is equal to equity as it appears in the statement of financial position plus net debt.

Item	31/12/2015	31/12/2014	01/01/2014
Debt	$ 264.645.898	$ 306.056.984	$ 209.493.184
Cash and banks (including cash and banks in a disposal group held for sale)	(4.555.581)	(3.204.652)	(1.155.324)
Net debt	260.090.517	302.852.332	208.337.860
Equity	594.484.160	548.821.418	526.423.204
Net debt and equity index	43,75%	55,18%	39,58%

4.3. Estimation of fair value

For financial assets and liabilities that are liquid or have short-term maturities (under three months) such as cash and cash equivalents, trade and miscellaneous receivables, trade and miscellaneous payables and other current liabilities, carrying value is considered similar to fair value.

Financial derivatives are valued using the methodology of discounted flow for forwards and the Black & Sholes model for options.

Fair value of variable-income financial instruments and fixed-income securities is based on their market quotes on the date of the statement of financial position. The quote used for financial assets held by the company is the current offered price.

It is assumed that the carrying values minus impairment of receivables and payables are similar to their fair values. The fair value for disclosure of financial liabilities is estimated by discounting future contractual cash flows at the interest rate in force in the market available for similar financial instruments.

5. Standards issued by IASB but not yet effective

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that have an impact or will have an impact on the preparation of financial statements in Colombia are disclosed below.

5.1. Incorporated in Colombia starting January 01, 2016 - Decree 2615 of 2014 -

According to this decree, starting January 01, 2016, the following standards will be effective in the regulatory technical framework that contains the standards in force at December 31, 2013 and their respective amendments issued by the IASB:

Financial Reporting Standard	Subject of the amendment	Detail
IFRIC 21 - Levies	Interpretation of IAS 37	IFRIC is an interpretation of IAS 37 Provisions, contingent liabilities and contingent assets regarding accounting of levies imposed by a government. IAS 37 establishes criteria for recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an "obligation triggering event"). IFRIC 21 clarifies that the "obligation triggering event" giving rise to the obligation to pay the levy is the activity described in relevant legislation. IFRIC 21 includes guidelines illustrating how it should be applied.
IAS 36 - Impairment of assets	Modifications to the disclosures of recoverable amount of non-financial assets	The modifications require disclosure of information regarding recoverable amount of impaired assets when such amount is based on fair value minus disposal costs. They also require disclosure of additional information regarding measurement of fair value. Additionally, when the recoverable amount of impaired assets is measured on the basis of fair value minus disposal costs through a present value technique, the modifications also require disclosure of discount rates used in current and previous measurements.
IAS 39 – Financial instruments	Modifications to novation and continuing of hedging operations	The amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.
Annual improvements 2010 - 2012 Cycle	These amendments reflect issues discussed by IASB that were subsequently included as modifications to IFRS	• IFRS 2 Share-based payments Definition of vesting conditions • IFRS 3 Business Combinations: Accounting of contingent considerations in a business combination • IFRS 8 Operating segments: aggregation of operating segments and reconciliation of segment assets to total assets. • IAS 16 Property, plant and equipment / IAS 38 Intangible assets: Revaluation Method – proportional method for restatement of accumulated depreciation • IAS 24 Related Party Disclosures: Key management personnel.
Annual improvements 2011 - 2013 Cycle	The nature of annual improvements is to clarify and correct; they do not propose new principles or changes to existing ones.	• IFRS 1: Meaning of effective IFRS • IFRS 13: Scope exceptions for mixed companies and scope of application of paragraph 52 (portfolio exception); and • IAS 40: Clarification of interrelationship of IFRS 3 Business combinations, and IAS 40 Investment properties when classifying property as investment property.

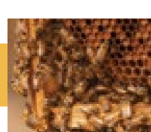
The company has evaluated the possible impact of this modification to the standards on financial statements.

5.2. Incorporated in Colombia starting January 01, 2017 - Decree 2496 of 2015 -

According to this decree, starting January 01, 2017, the following standards will be effective in the regulatory technical framework that contains the standards in force at December 31, 2014 and their respective amendments issued by the IASB, allowing for advance application:

Financial Reporting Standard	Subject of the amendment	Detail
IAS 19 - Employee Benefits	Defined Benefit Plans: Employee contributions. These amendments clarify how to account for contributions from employees or third parties enrolled in the services or defined benefit plans, considering whether these contributions depend on the employee's years of service.	For contributions that are independent from the number of years of service, the entity is allowed to recognize these as a reduction in the service cost in the period in which the service is rendered, or to allocate them to the employee's number of years of service using the straight-line method, while for contributions that depend on the number of years of service, it is necessary that the entity allocate them itself. Retrospective application is required. In force for annual periods starting on July 01, 2014 or later.
IFRS 9 – Financial Instruments	IFRS 9 Financial Instruments was issued in November 2009 as the first stage of a project to replace IAS 39 Financial instruments: Recognition and Measurement.	Sections of IFRS 9 addressing financial assets were added in March 2013. For impairment methodology and Hedge Accounting, the IASB issued discussion drafts.
IAS 32 – Financial Instruments: Presentation	Offsetting of financial assets and liabilities	Amendment to IAS 32 clarifies application of offsetting requirements. It is effective for yearly periods starting January 01, 2014. Application is retroactive.
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosures of Participations in Other Entities IAS 27 – Separate Financial Statements	Offsetting between Financial Assets and Liabilities	Amendments to IFRS 10 include an exception to the consolidation requirement for affiliates of an investment entity. As to the exception, an investment entity is required to measure its participations in affiliates at fair value with changes in results. The exception does not apply to subsidiaries of investment entities that deliver services related to the investment activities of the investment entity. Several criteria must be met in order to qualify as investment entity. In force for annual periods starting on January 01, 2014 or later.
IAS 1 – Presentation of Financial Statements	Disclosure Initiative. The amendments were an answer to comments regarding difficulties in application of the materiality concept since when drafting some of the requirements of IAS 1, it had been construed to avoid using judgment.	Some key aspects of the amendments are: • The entity shall not obscure the understandability of its financial statements by hiding substantial information with irrelevant information or by aggregating items that have different natures or functions. • The entity need not disclose specific information required by an IFRS if the resulting information is not material. • In the other comprehensive income section of a statement of income and other comprehensive income, the amendments require separate disclosures for the following elements: - the proportion of other comprehensive income of associates and joint ventures that are accounted for by the equity method that will not be subsequently reclassified to income; and - the proportion of other comprehensive income of associates and joint ventures that are accounted for by the equity method that will be subsequently reclassified to the income statement. Modifications to IAS 1 are effective for annual periods starting on January 01, 2016 with advance application allowed. Application of amendments need not be disclosed.

Financial Reporting Standard	Subject of the amendment	Detail
IAS 16 – Property, Plant and Equipment	Clarification of Acceptable Methods of Depreciation	Entities are not allowed to use revenue-based depreciation methods for items of property, plant and equipment for annual periods starting on January 01, 2016 or later.
IAS 38 – Intangible Assets	Clarification of Acceptable Methods of Amortization	Introduces legal presumptions that assert that revenue is not an appropriate principle for amortization of an intangible asset. This assumption can only be debated in the two following limited circumstances: a. When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to exploit and extract gold from a mine. The expiration of the contract could take into consideration a fixed amount of total revenue that will be generated from the extraction (for instance, a contract could permit extraction of gold from the mine until accumulated revenue from sale equals 2 billion of credit units) and is not based on the time or amount of gold extracted. Provided the contract specifies a fixed total amount of generated revenue over which amortization will be determined, the revenue that will be generated could be an adequate basis for amortizing the intangible asset, or a. When it can be demonstrated that the revenue and consumption of economic benefits of intangible assets are closely related. Amendments apply prospectively for annual periods starting on January 01, 2016; advance application is allowed.
IAS 16 – Property, Property, Plant and Equipment IAS 41 – Agriculture	Bearer Plants	The bearer plant concept is defined; furthermore, biological assets need to meet this definition to be accounted for as property, plant and equipment according to IAS 16 instead of IAS 41. As to modifications, bearer plants may be measured using the cost model or the revaluation model established in IAS 16. Agricultural produce growing on a bearer plant will continue to be measured according to IAS 41. In force for annual periods starting on January 01, 2016 or later.
IAS 27 – Separate Financial Statements	Equity Method in Separate Financial Statements	The amendments focus on separate financial statements and allow using the equity method in said financial statements. The amendments allow the entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements: • at cost, • according to IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or • using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. • The same accounting must be applied to each investment category. • Modifications also clarify that when the parent ceases to be an investment entity or becomes an investment entity, they are required to apply this method from the date of change. Modifications are applied retrospectively in annual periods starting January 01, 2016.
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosures of Participations in Other Entities IAS 28 – Investments in Associates and Joint Ventures	Application of Consolidation Exception	Modifications clarify that the exception to preparing consolidated financial statements is available to a controlling entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value according to IFRS 10. Modifications to IAS 28 clarify that the exception to applying the equity method is applicable to an investor in an associate or joint venture if this investor is a subsidiary of an investment entity that measures all its subsidiaries at fair value. The modifications also clarify that an investment entity's requirement to consolidate a subsidiary that renders services related to previous investment activities applies only to subsidiaries that are not investment entities. On the other hand, the modifications clarify that, when applying the equity method to an associate or joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its affiliates. Lastly, clarification is also made that the investment entity that measures all its subsidiaries at fair value must make disclosures required by IFRS 12 Disclosure of Interests in Other Entities available. Modifications are applied retrospectively for annual periods starting on January 01, 2016 with advance application allowed.



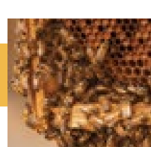
Financial Reporting Standard	Subject of the amendment	Detail
IFRS 10 – Consolidated Financial Statements IAS 28 –Investments in Associates and Joint Ventures	Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	The modifications deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 has been modified to reflect the following: • Gains and losses resulting from transactions relative to assets that do not constitute a business between an investor and its associate or joint venture are recognized to the extent of unrelated investors' interests in the associate or joint venture. • Gains and losses resulting from subsequent transactions relative to assets that constitute a business between an investor and its associate or joint venture are recognized in full in the financial statements of the investor. IFRS 10 has been modified to reflect the following: Gains and losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that are accounted for using the equity method, are recognized in the controlling entity's income statement to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the revaluation of investments accumulated in any prior subsidiary (that has become an associate or joint venture that is accounted for by the equity method) at fair value are recognized in the income statement of the prior controlling entity only to the extent of the unrelated investors' interests in the new associate or joint venture. Modifications are applied prospectively to transactions occurring in annual periods starting on January 01, 2016 with advance application allowed. In meeting of June, 2015, the IASB tentatively decided to postpone the mandatory effective date of these amendments. As of time of writing, no draft has been issued.
IFRS 11 – Joint Arrangements	Accounting for Acquisitions of Interests in Joint Arrangements provides indications on how to account for the acquisition of an interest in a joint arrangement in which the activities constitute a business as defined by IFRS 3 Business Combinations.	Entities are required to apply the modifications prospectively to the acquisitions of interests in joint operations (in which the activities of the joint arrangements constitute a business as defined by IFRS 3) that take place at the start of annual periods beginning on 1 January 2016.
IFRS 14 – Regulatory Deferral Accounts	Deferral Accounts of Regulated Activities	IFRS 14 explains recording in balances of regulatory deferral accounts that arise from activities subject to rate regulation. The standard is available only to sectors that adopt IFRS for the first time and that have recognized balances of regulatory deferral accounts under previous GAAP. IFRS 14 allows sectors adopting IFRS for the first time to continue with their former accounting policies at regulated rates under GAAP, with limited changes, and requires a separate presentation of the balances of regulatory deferral accounts in the statement of financial position and in the statement of profit or loss and other comprehensive income. The standard also requires disclosures to identify the nature of, and risks associated with, the rate regulation that has given rise to recognition of balances of regulatory deferral accounts. IFRS 14 is effective for first annual financial statements under IFRS, in annual periods beginning on or after 1 January 2016, with advance application allowed.

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 9 – Financial Instruments	Financial Instruments (reviewed 2014 version)	The replacement project consists of the following phases: • Phase 1: Classification and measurement of financial assets and liabilities. Regarding classification and measurement under IFRS, all recognized financial assets that are under the scope of IAS 39 shall subsequently be measured at amortized cost or fair value. • Phase 2: Impairment methodology. The impairment model according to IFRS 9 reflects expected credit losses as opposed to incurred credit losses under IAS 39. In the scope of impairment under IFRS 9, a credit event no longer needs to occur before credit losses are recognized. • Phase 3: Hedge Accounting. The general requirements of hedge accounting under IFRS 9 maintain the three types of mechanisms of hedge accounting included in IAS 39. However, the types of ideal transactions for hedge accounting are much more flexible now, especially, by expanding the types of instruments that are classified as hedge instruments and the types of risk components of non-financial instruments ideal for hedge accounting. Additionally, the effectiveness test has been revised and replaced by the principle of "economic relationship". Retrospective evaluation is no longer needed to measure the effectiveness of the hedge. Many more disclosure requirements have been added regarding the entity's risk management activities. In July, 2014, the IASB culminated the reform to financial instruments accounting and issued IFRS 9 Accounting of Financial Instruments (in its revised 2014 version), which will replace IAS 39 Financial Instruments: Recognition and Measurement once the former standard expires. In force for annual periods starting on January 01, 2018 or later.
IFRS 15 – Revenue from Contracts with Customers	Establishes a new extensive and detailed model that will apply to accounting of revenue arising from contracts with customers.	Once in force, it will replace the following revenue standards and interpretations: • IAS 18 Revenue; • IAS 11 Construction Contracts; • IFRIC 13 Customer Loyalty Programs; • IFRIC 15 Agreements for the Construction of Real Estate; • FRIC 18 Transfers of Assets from Customers, and • SIC 31: Barter Transactions Involving Advertising Services • In force for annual periods starting on January 01, 2018 or later.
Annual improvements 2012 - 2014 Cycle	These amendments reflect issues discussed by IASB which were subsequently included as modifications to IFRS	• IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Changes in methods for asset disposal. • IFRS 7 – Financial Instruments: Disclosures (with modifications resulting from modifications to IFRS 1) - Modifications related to service delivery contracts. - Applicability of IFRS 7 modifications in disclosures of offsetting in condensed interim financial statements. • IAS 19 - Employee Benefits Discount rate: regional market issues. • IAS 34 – Interim Financial Information. Disclosure of information included "elsewhere in the interim financial report"

The company is still evaluating the possible impact of this modification to the standards on financial statements.

5.3. Incorporated in Colombia starting January 01, 2018 – Decree 2496 of 2015 -

With this decree, beginning January 01, 2018, IFRS 15 "Revenue from Contracts with Customers" will be in force, which establishes a new extensive and detailed model for accounting of revenue arising from contracts with customers; advanced application is allowed for this standard.



SPECIFIC NOTES

6. Property, plant and equipment – net

Below are the details of the carrying value of property, plant and equipment:

Description	31/12/2015	31/12/2014	01/01/2014
Cost	$ 439.767.530	$ 417.850.553	$ 366.870.643
Accumulated depreciation	(59.128.137)	(25.590.796)	-
Total property, plant and equipment	**$ 380.639.393**	**$ 392.259.757**	**$ 366.870.643**

Below are the details of the carrying value of property, plant and equipment, net of depreciation:

Type of asset	31/12/2015	31/12/2014	01/01/2014
Land	$ 16.649.497	$ 14.140.060	$ 14.140.060
Constructions and buildings	45.146.955	39.985.885	42.625.351
Roads	376.195	201.612	252.015
Machinery and equipment	150.906.962	159.220.985	147.457.986
Electric plants and networks	39.438.126	28.794.269	33.506.452
Transportation equipment	3.686.237	4.976.926	5.981.491
Computer and communications equipment	22.954	30.605	38.256
Machinery and equipment under leasing contracts (1)	106.597.508	95.876.867	69.765.269
Mines and artesian wells	633.382	44.828	86.449
Constructions in progress (2)	3.669.660	15.578.678	11.073.217
Machinery under assembly (3)	13.511.917	33.409.042	41.944.097
Total property, plant and equipment – net	**$ 380.639.393**	**$ 392.259.757**	**$ 366.870.643**

As on December 31, 2015 and 2014, no restrictions or encumbrances affect the company's above-mentioned property, plant and equipment.

The adjustment to fair value as on 2015, as provided by IFRS 13 and the company's revaluated cost policy on land and buildings, was done based on appraisals conducted by the firm Francisco Ochoa Avalúos S.A.S. (registered in the National Appraisers Registry), with amounts of $1,491,241 and $6,396,263, respectively, which is shown in equity under *"Other Accumulated Comprehensive Income"*.

(1) Infrastructure leasing contracts Nos. 119709 and 119710 subscribed on December 28, 2010 with Leasing Bancolombia S.A. for expansion of Providencia I and construction of Providencia III generation plants with 144-month terms.

(2) Main constructions in progress are:

Description	31/12/2015	31/12/2014	01/01/2014
Providencia III additional works	$ 2.453.687	$ -	$ -
Construction of industrial zone cranes	520.264	81.449	-
Los Mangos Mine access road	540.243	-	-
Bosques del Alto	111.639	55.483	-
Improvements to guest house	43.827	-	-
Milla de Oro	-	15.043.841	11.073.217
Human Resources offices	-	126.698	-
Mina La Ye canteen	-	27.919	-
Mina La Ye workshop	-	243.288	-
Total constructions in progress	**$ 3.669.660**	**$ 15.578.678**	**$ 11.073.217**

(3) Details of machinery under assembly:

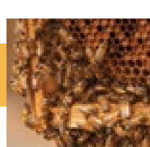
Description	31/12/2015	31/12/2014	01/01/2014
Alluvial terraces plant	$ 4.096.103	$ -	$ 3.764.190
Plants and networks	3.119.374	23.916.006	-
Dredge machinery and equipment	3.844.100	8.071.617	-
Other dredge projects	2.069.666	-	885.534
Mine machinery and equipment	320.036	938.732	-
Other machinery and equipment	61.197	482.687	-
New energy projects	1.441	-	802.249
Providencia III project	-	-	20.200.301
Dredge No. 5 repair	-	-	9.983.420
Green gold project	-	-	2.734.260
La Ye ciénaga grande shaft	-	-	2.598.767
Ward drills	-	-	507.792
Processing system improvement	-	-	411.694
La Ye Mine tailings levee	-	-	55.890
Total machinery and equipment under assembly	**$ 13.511.917**	**$ 33.409.042**	**$ 41.944.097**

The detail of changes in cost of property, plant and equipment is as follows:

PROPERTY, PLANT AND EQUIPMENT – MINEROS S.A.

YEAR 2015

Cost	Land	Constructions and buildings	Roads	Machinery and equipment	Electric plants and networks	Transportation equipment	Computer and communica-tions equipment	Machinery and equipment under leasing contracts	Mines and artesian wells	Constructions in progress	Machinery under assembly	Total
Cost as on January 01	$ 14.140.060	$ 43.344.301	$ 252.015	$173.264.109	$34.479.551	$6.837.571	$38.256	$96.420.521	$86.449	$15.578.678	$33.409.042	$417.850.553
Additions	1.018.196	553.681	232.744	6.231.642	24.605.178	508.909	-	11.188.497	699.028	7.381.963	15.789.102	68.208.940
Assets revaluation	1.491.241	7.909.613	-	-	-	-	-	-	-	-	-	9.400.854
Transfers (-/+)	-	(228.396)	-	-	-	-	-	-	-	(19.290.981)	(35.686.227)	(55.205.604)
Disposals (-)	-	(23.630)	-	(370.807)	(16.667)	(76.109)	-	-	-	-	-	(487.213)
Carrying value as on December 31	**16.649.497**	**51.555.569**	**484.759**	**179.124.944**	**59.068.062**	**7.270.371**	**38.256**	**107.609.018**	**785.477**	**3.669.660**	**13.511.917**	**439.767.530**
Accumulated depreciation and impairment as on January 01	**-**	**(3.358.416)**	**(50.403)**	**(14.043.124)**	**(5.685.282)**	**(1.860.645)**	**(7.651)**	**(543.654)**	**(41.621)**	**-**	**-**	**(25.590.796)**
Depreciation for the period	-	(3.041.003)	(58.161)	(14.174.858)	(7.743.593)	(1.681.608)	(7.651)	(467.856)	(110.474)	-	-	(27.285.204)
Impairment of assets (-)	-	(9.195)	-	-	(6.201.061)	(41.881)	-	-	-	-	-	(6.252.137)
Accumulated depreciation and impairment as on December 31	**-**	**(6.408.614)**	**(108.564)**	**(28.217.982)**	**(19.629.936)**	**(3.584.134)**	**(15.302)**	**(1.011.510)**	**(152.095)**	**-**	**-**	**(59.128.137)**
Property, plant and equipment as on December 31	**$16.649.497**	**$45.146.955**	**$376.195**	**$150.906.962**	**$39.438.126**	**$3.686.237**	**$22.954**	**$106.597.508**	**$633.382**	**$3.669.660**	**$13.511.917**	**$380.639.393**



AÑO 2014

Cost	Land	Constructions and buildings	Roads	Machinery and equipment	Electric plants and networks	Transportation equipment	Computer and communica-tions equipment	Machinery and equipment under leasing contracts	Mines and artesian wells	Constructions in progress	Machinery under assembly	Total
Cost as on January 01	$14.140.060	$ 42.625.351	$252.015	$147.457.986	$33.506.452	$5.981.491	$ 38.256	$ 69.765.269	$ 86.449	$ 11.073.217	$ 41.944.097	$ 366.870.643
Additions	-	718.950	-	25.806.123	973.099	856.080	-	26.655.252	-	4.505.461	-	59.514.965
Transfers (-/+)	-	-	-	-	-	-	-	-	-	-	(8.535.055)	(8.535.055)
Carrying value as on December 31	**14.140.060**	**43.344.301**	**252.015**	**173.264.109**	**34.479.551**	**6.837.571**	**38.256**	**96.420.521**	**86.449**	**15.578.678**	**33.409.042**	**417.850.553**
Accumulated depreciation and impairment as on January 01	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the period	-	(3.358.416)	(50.403)	(14.043.124)	(5.685.282)	(1.860.645)	(7.651)	(543.654)	(41.621)	-	-	(25.590.796)
Accumulated depreciation and impairment as on December 31	**-**	**(3.358.416)**	**(50.403)**	**(14.043.124)**	**(5.685.282)**	**(1.860.645)**	**(7.651)**	**(543.654)**	**(41.621)**	**-**	**-**	**(25.590.796)**
Property, plant and equipment as on December 31	**$14.140.060**	**$39.985.885**	**$ 201.612**	**$159.220.985**	**$28.794.269**	**$4.976.926**	**$ 30.605**	**$ 95.876.867**	**$ 44.828**	**$ 15.578.678**	**$ 33.409.042**	**$392.259.757**

The company adopted the following useful lives in the calculation of depreciation of property, plant and equipment:

Type of asset	Useful life			
	Mina La Ye	El Bagre	Providencia	Medellín
Constructions and buildings	5 years	16 years	30 years	16 years
Machinery and equipment	2 to 5 years	1 to 16 years	3 to 21 years	N/A
Computer and communications equipment	5 years	5 years	5 years	5 years
Land transportation equipment	2 to 5 years	3 to 5 years	3 years	4 to 5 years
River transportation equipment	N/A	1 to 10 years	N/A	N/A
Air transportation equipment	N/A	5 years	N/A	N/A
Aqueducts, plants and networks	5 years	4 to 15 years	2 to 30 years	N/A
Roads	N/A	5 to 10 years	N/A	N/A

7. Investment property

Composition and changes in investment property are detailed as follows:

Type of investment property	31/12/2015	31/12/2014	01/01/2014
Land (Barú island-Cartagena plot)	$ 5.661.450	$ 4.148.100	$ 4.148.100
Total investment property	**$ 5.661.450**	**$ 4.148.100**	**$ 4.148.100**

The fair value of investment property was obtained through a technical appraisal conducted by the firm Francisco Ochoa Avalúos S.A.S., who used the market value comparative method. The increase in fair value as on December 31, 2015 with respect to the immediately previous year is the result of the preparation of a new appraisal in 2015 for $1,513,350.

8. Intangible assets

Detailed carrying values of intangibles:

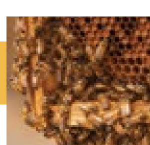
Description	31/12/2015	31/12/2014	01/01/2014
Cost	$ 64.161.767	$ 103.173.551	$ 100.262.659
Accumulated amortization	(3.267.169)	(7.924.385)	-
Total intangibles	**$ 60.894.598**	**$ 95.249.166**	**$ 100.262.659**

Net cost of intangibles is as follows:

Type of intangible	31/12/2015	31/12/2014	01/01/2014
Exploration and evaluation projects (1)	$ 41.110.596	$ 69.093.087	$ 73.283.889
IT modernization projects	10.049.539	12.035.922	6.032.435
Exploitation and development projects (2)	9.732.812	14.118.506	20.944.684
Patents	1.651	1.651	1.651
Total intangibles	**$ 60.894.598**	**$ 95.249.166**	**$ 100.262.659**

(1) Details of exploration and evaluation projects:

Description	31/12/2015	31/12/2014	01/01/2014
El Catorce Project	$ 15.170.263	$ 14.761.330	$ 13.209.579
Santa Elena Project	14.776.406	14.407.552	12.845.501
Nicaragua Exploration Project	11.163.927	-	159.398
Nechí Project	-	9.303.748	12.416.970
Remedios Project	-	4.090.554	3.886.259
Tolima Project	-	-	5.805.556
Amalfi Project	-	5.860.718	5.506.260
Ataco Project	-	883.322	-
El Bagre District Project	-	14.068.308	14.062.943
Pácora Project	-	5.519.101	5.336.232
Nechí Pre-feasibility Project	-	193.552	55.191
Mater. Processing Feasibility Project Nechi	-	4.902	-
Total exploration and evaluation project	**$ 41.110.596**	**$ 69.093.087**	**$ 73.283.889**



Regarding recognition of assets for exploration and evaluation and their corresponding amortization, the company has adopted the following policies as set forth in IFRS 6 (Exploration and evaluation of mineral resources), including periodic evaluation of the technical and economical feasibility of the respective project:

a. Cost of projects that are under prospection (stages I and II), that is, cost of studies and geological characterization in a determined zone with geological indications of an economically exploitable gold deposit are directly carried to expense.

b. From stage III, all expenses incurred along exploration projects will be capitalized or carried to expense, depending on the parameters defined by the company's management.

c. In stage VI (pre-feasibility) the decision is made as to whether the project moves on to the exploitation stage, accumulated expenditure is carried to income or it is sold to a third party. When the exploration division determines that no future value is expected from the project, accumulated exploration costs are carried to income for the period.

d. Any obligation incurred for decommissioning and restoration as a consequence of having conducted exploration and evaluation activities is recognized.

e. Exploration costs of a project that reaches stage VI and will be economically exploited will be amortized in accordance with the project's length, beginning the moment commercial exploitation of precious metals begins.

(2) List of exploitation projects:

Description	31/12/2015	31/12/2014	01/01/2014
Icacales Mine	$ 4.057.556	$ 5.860.914	$ 7.664.272
La Ye Mine exploration and assembly expenses	4.023.900	5.812.302	7.600.703
Los Mangos Mine	1.651.356	2.385.290	3.119.225
Exploitation improvements for alluvial operation	-	60.000	-
Cordero Project	-	-	2.560.484
Total exploitation and development projects	**$ 9.732.812**	**$ 14.118.506**	**$ 20.944.684**

Details of useful life of exploitation projects:

Description	Useful Life
Exploitation improvements for alluvial operation	1 year
La Ye Mine exploration and assembly expenses	4 years and three months
Los Mangos Mine	4 years and three months
Icacales Mine	4 years and three months

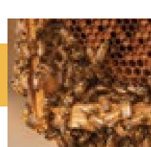
The detail of changes in cost and amortization of intangibles is as follows:

YEAR 2015

Description	Exploration projects	Exploitation and development projects	Software and applications	Other intangible assets	Total
Cost as on January 01, 2015	**$ 69.093.087**	**$ 21.281.834**	**$ 12.796.979**	**$ 1.651**	**$ 103.173.551**
Additions	18.250.471	-	546.657	-	18.797.128
Disposals	(46.232.962)	(11.549.022)	(26.928)	-	(57.808.912)
Carrying value as on December 31, 2015	**41.110.596**	**9.732.812**	**13.316.708**	**1.651**	**64.161.767**
Accumulated amortization and impairment					
Accumulated amortization and impairment as on January 01	-	(7.163.328)	(761.057)	-	(7.924.385)
Amortization for the period	-	-	(2.506.112)		(2.506.112)
Disposals	-	7.163.328	-	-	7.163.328
Accumulated amortization and impairment as on December 31, 2015	**-**	**-**	**(3.267.169)**	**-**	**(3.267.169)**
Intangible assets as on December 31, 2015	**$ 41.110.596**	**$ 9.732.812**	**$ 10.049.539**	**$ 1.651**	**$ 60.894.598**
Total as on December 31, 2015					**$ 60.894.598**

YEAR 2014

Description	Exploration projects	Exploitation and development projects	Software and applications	Other intangible assets	Total
Cost as on January 01, 2014	$ 73.283.889	$20.944.684	$ 6.032.435	$1.651	$ 100.262.659
Additions	15.970.490	337.150	6.764.544	-	23.072.184
Disposals	(20.161.292)	-	-	-	(20.161.292)
Carrying value as on December 31, 2014	**69.093.087**	**21.281.834**	**12.796.979**	**1.651**	**103.173.551**
Accumulated amortization and impairment as on January 01					
Amortization for the period	-	(7.163.328)	(761.057)	-	(7.924.385)
Accumulated amortization and impairment as on December 31, 2014	**-**	**(7.163.328)**	**(761.057)**	**-**	**(7.924.385)**
Intangible assets as on December 31, 2014	**$ 69.093.087**	**$14.118.506**	**$ 12.035.922**	**$ 1.651**	**$ 95.249.166**
Total as on December 31, 2014					**$ 95.249.166**



9. Investments in subsidiaries

Investments in subsidiaries as on December 31, 2015 and 2014 are:

Subsidiaries	Interest in net equity					
	Percentage (%)			Value ($)		
	31/12/2015	31/12/2014	01/01/2014	31/12/2015	31/12/2014	01/01/2014
Exploradora Minera S.A.S	100	100	100	$ 619.225	$ 573.901	$ 865.570
HEMCO Nicaragua S.A. (1)	95	5	-	260.794.889	4.915.747	-
Operadora Minera S.A.S.	100	100	100	4.912.761	4.192.177	8.743.837
Cía Minera de Ataco S.A.S. (2)	100	100	100	200.000	200.000	200.000
Bonanza Holding S.A.	-	0,01	0,01	-	17	9
Mineros LLC	-	100	100	-	77.632.138	78.311.175
Total investment in subsidiaries				**$ 266.526.875**	**$ 87.513.980**	**$ 88.120.591**

(1) The increase in investment in subsidiary HEMCO Nicaragua S.A. with respect to 2014 is explained by the liquidation in 2015 of Compañía Mineros LLC (USA), the corporation vehicle through which the initial investment in the subsidiary was carried out.

(2) MINEROS S.A. does not consolidate with Compañía Minera de Ataco being in unproductive stage.

The net participation of the company in profits (losses) of its companies is:

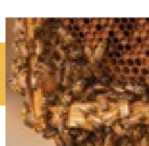
Company	2015			
	Domicile	Economic activity	No. of shares	Participation in income
Foreign Subsidiaries				
HEMCO Nicaragua S.A.	Nicaragua	Exploitation of precious metals	1.139.970	$ 1.576.327
Subtotal foreign corporations				**1.576.327**
Local Subsidiaries				
Exploradora Minera S.A.S	Colombia	Exploration of precious metals	20.000	45.324
Operadora Minera S.A.S.	Colombia	Rendering of services	200.437	738.205
Compañía Minera de Ataco S.A.S. *	Colombia	Exploitation of precious metals	20.000	-
Subtotal local corporations				**783.529**
Total participation in income of subsidiaries				**$ 2.359.856**

Company	2014			
	Domicile	Economic activity	No. of shares	Participation in income
Foreign Subsidiaries				
Mineros LLC	USA	Investor	N.A.	$ (18.272.256)
Subtotal foreign corporations				**(18.272.256)**
Local Subsidiaries				
Exploradora Minera S.A.S	Colombia	Exploration of precious metals	20.000	108.331
Operadora Minera S.A.S.	Colombia	Rendering of services	200.437	623.944
Compañía Minera de Ataco S.A.S. (*)	Colombia		20.000	-
Subtotal local corporations				**732.275**
Total participation in income of subsidiaries				**$ (17.539.981)**

(*) MINEROS S.A. does not consolidate with Compañía Minera de Ataco being in unproductive stage. Below is a summary of the financial statements of subsidiaries under IFRS:

Company	2015				2014			
	Assets	Liabilities	Equity	Income (Loss)	Assets	Liabilities	Equity Income (Loss)	Income (Loss)
Foreign Subsidiaries								
HEMCO Nicaragua S.A.	$210.441.322	$119.160.470	$91.280.852	$1.659.292	$ -	$ -	$ -	$ -
Mineros LLC	-	-	-	-	305.862.681	207.666.807	98.195.874	(18.272.256)
Subtotal foreign corporations	**210.441.322**	**119.160.470**	**91.280.852**	**1.659.292**	**305.862.681**	**207.666.807**	**98.195.874**	**(18.272.256)**
Local Subsidiaries								
Exploradora Minera S.A.S	797.616	178.391	619.225	45.324	892.287	318.386	573.901	108.331
Operadora Minera S.A.S.	7.742.132	2.829.370	4.912.761	738.204	6.997.074	2.804.897	4.192.177	623.944
Compañía Minera de Ataco S.A.S. (*)	223.861	2.079	221.782	4.111	219.148	1.476	217.672	4.624
Subtotal local corporations	**8.763.609**	**3.009.840**	**5.753.768**	**787.639**	**8.108.509**	**3.124.759**	**4.983.750**	**736.899**
Total	**$219.204.931**	**$122.170.310**	**$97.034.620**	**$2.446.931**	**$313.971.190**	**$210.791.586**	**$103.179.624**	**$(17.535.357)**

(*) MINEROS S.A. does not consolidate with Compañía Minera de Ataco being in unproductive stage.



Breakdown of equity of subsidiaries is as follows:

Company	2015						
	Capital	Additional paid-in capital	Reserves	Other accumulated comprehensive income	Net income (loss) for the year	Results from previous years	Equity
Foreign Subsidiaries							
HEMCO Nicaragua S.A.	$9.112.225	-	$6.190.181	$5.570.109	$1.659.292	$64.971.589	$87.503.396**
Sub-total foreign corporations	**9.112.225**	**-**	**6.190.181**	**5.570.109**	**1.659.292**	**64.971.589**	**87.503.396**
Local Subsidiaries							
Exploradora Minera S.A.S	200.000	-	373.901	-	45.324	-	619.225
Operadora Minera S.A.S.	200.437	3.369.563	799.502	(194.944)	738.203	-	4.912.761
Compañía Minera de Ataco S.A.S. *	200.000	-	3.893	-	4.110	13.779	221.782
Sub-total local corporations	**600.437**	**3.369.563**	**1.177.296**	**(194.944)**	**787.637**	**13.779**	**5.753.768**
Total	**$9.712.662**	**$3.369.563**	**$7.367.477**	**$5.375.165**	**$2.446.929**	**$64.985.368**	**$93.257.164**

Company	2014						
	Capital	Additional paid-in capital	Reserves	Other accumulated comprehensive income	Net income (loss) for the year	Results from previous years	Equity
Foreign Subsidiaries							
Mineros LLC	$82.335.410	-	$(798.439)	$1.339.839	$(18.272.256)	$13.027.585	$77.632.138
Sub-total foreign corporations	**82.335.410**	**-**	**(798.439)**	**1.339.839**	**(18.272.256)**	**13.027.585**	**77.632.138**
Local Subsidiaries							
Exploradora Minera S.A.S	200.000	-	265.570	-	108.331	-	573.901
Operadora Minera S.A.S.	200.437	3.369.563	167.282	(169.049)	623.944	-	4.192.177
Compañía Minera de Ataco S.A.S. (*)	200.000	-	3.893	-	4.624	9.155	217.672
Sub-total local corporations	**600.437**	**3.369.563**	**436.745**	**(169.049)**	**736.899**	**9.155**	**4.983.750**
Total	**$82.935.847**	**$3.369.563**	**$(361.694)**	**$1.170.790**	**$(17.535.357)**	**$13.036.740**	**$82.615.888**

(*) Mineros S.A. does not consolidate with Compañía Minera de Ataco being in unproductive stage.
(**) Equity excluding interest in non-controlled company

A description of the corporate purpose of the companies that are recorded through the equity method is presented below:

HEMCO Nicaragua S.A.

This corporation was established by Public Deed No. 18 of the city of Managua, Republic of Nicaragua, dated March 23, 1994 and filed with the mercantile public register of Managua as a trader under No. 20143.

Its corporate purpose is general mining activities, with exploration and exploitation of deposits of mineral substances, and their extraction, refining, transportation, trading and export.

The company conducts an underground gold exploitation operation in the municipality of Bonanza, North Atlantic Autonomous Region, Nicaragua, and as on December 31, 2015, MINEROS S.A. holds 95% of share capital of HEMCO Nicaragua S.A., an investment initially made through a corporate vehicle of US nationality (Mineros LLC).

Operadora Minera S.A.S.

Operadora Minera S.A.S. was incorporated through private document on March 10, 2009, filed with the Medellin Chamber of Commerce on April 2, 2009 under No. 4129. Its corporate purpose is to carry out any licit civil or commercial act, especially in activities of preservation, exploration, exploitation, industrialization, or development in any form, of renewable and non-renewable natural resources.

Exploradora Minera S.A.S

Exploradora Minera S.A.S. was incorporated through private document on March 15, 2010, filed with the Medellin Chamber of Commerce on April 6, 2010 under No. 5067. Its corporate purpose is to carry out any licit civil or commercial act, especially in mining exploration activities.

Compañía Minera de Ataco S.A.S.

MINEROS S.A. also has control over the corporation Compañía Minera de Ataco S.A.S. whose investment is not accounted for by the equity method and whose financial statements were not taken into account for consolidation of financial statements.

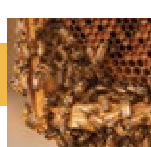
Compañía Minera de Ataco S.A.S. was incorporated through private document on April 11, 2011, filed with the Ibagué Chamber of Commerce on April 18, 2011 under No. 00043218. Its main corporate purpose is gold mining exploration and exploitation through mining concession contracts Nos. 4971 and 4974 located in the municipality of Ataco (Tolima Province).

Its main offices are located in the city of Ibagué, and until December 31, 2015 the company had not started any exploitation activities, having only conducted endeavors leading to the obtainment of the mining project's environmental license from Corporación Autónoma Regional del Tolima (CORTOLIMA). The request for the environmental license was initially presented to Corporación Autónoma Regional del Tolima (CORTOLIMA) on July 23, 2012 and the Works Program (PTO, for its Spanish acronym) was presented to the National Mining Agency (ANM, for its Spanish acronym) on November 21, 2012. Subsequently the company decided to modify the project and the annual volume of material to be removed, which meant desisting of the environmental proceedings before CORTOLIMA, presenting a modification to the PTO on August 05, 2015, and starting the environmental license proceedings with the National Agency for Environmental Licenses (ANLA, for its Spanish acronym) once again on October 08, 2015. As on closing date of the statement of financial position on December 31, 2015, the administrative authorities had not yet declared a definitive position regarding the environmental license nor the PTO modification.

10. Equity financial instruments

These correspond to equity investments at acquisition cost, made in non-controlled entities:

Description	Economic Activity	Interest in net equity					
		Percentage (%)			Value ($)		
		31/12/2015	31/12/2014	01/01/2014	31/12/2015	31/12/2014	01/01/2014
Unipalma de los Llanos S.A.S.	Agroindustria	17,74%	17,74%	17,74%	$2.496.242	$2.496.242	$2.496.242
Entre Ríos de Colombia S.A.S.	Agroindustria	-	35%	-	-	35.000	-
Club de Banqueros	Servicios	N.A.	-	-	4.500	4.500	4.500
Promotora de Proyectos S.A.	Inversionista	1,6%	1,6%	1,6%	57.761	57.761	57.761
Distrito de Negocio S.A.S.	Construcción	40%	40%	-	80.000	-	-
Total financial equity instruments					**$ 2.638.503**	**$2.593.503**	**$2.558.503**



11. Trade debtors and other receivables

Carrying values of debtors is detailed below:

Description	31/12/2015	31/12/2014	01/01/2014
Trade receivables:			
Foreign customers (1)	$ 3.882.573	$ 2.835.764	$ 1.587.402
Total trade receivables	**3.882.573**	**2.835.764**	**1.587.402**
Miscellaneous receivables:			
Related parties (2)	1.744.544	152.591.418	8.470.505
Advance payments to suppliers	1.439.256	1.300.112	4.133.477
Loans to employees (3)	8.075.966	7.685.203	6.548.790
Other debtors (4)	17.492.423	2.789.347	1.585.243
Total miscellaneous receivables	**$ 28.752.189**	**$ 164.366.080**	**$ 20.738.015**
Total trade and miscellaneous receivables	**$ 32.634.762**	**$ 167.201.844**	**$ 22.325.417**
Breakdown by maturity:			
Current portion	25.308.140	143.008.607	7.942.775
Non-current portion	7.326.622	24.193.237	14.382.642

(1) Trade receivables are invoiced in US Dollars and are translated at the MRT of each month's closing, as certified by the Financial Superintendency; they have current maturities of less than thirty (30) days, do not accrue interest and do not have specific guarantees. Consequently, management does not consider appropriate to account for any provision for impairment of trade receivables.

(2) This balance corresponds to advance payment made to HEMCO Nicaragua S.A. for execution of the Greenfield exploration project. The decline in the balance with respect to 2014 obeys to the repayment of loans granted to HEMCO Nicaragua S.A., the liquidation of Bonanza Holding S.A. and the cancellation of balance payable by Entre Ríos Colombia S.A.S.

(3) The details of these loans are:

Type of loan	31/12/2015	31/12/2014	01/01/2014	Interest rate	Guarantee
Housing (workers covered by collective bargaining agreement and employees)	$ 7.227.884	$6.855.617	$5.842.973	5,75% E.A. empleados; 0,66% E.A. a trab. Convención	Mortgage
Family emergency (workers covered by collective bargaining agreement and employees)	627.737	603.051	-	N.A.	Unsecured
Vehicles	98.738	98.913	69.164	8.04% E.A.	Pledge without possession
Other loans to workers and employees	121.607	127.622	-	N.A.	Unsecured
Total	**$ 8.075.966**	**$ 7.685.203**	**$5.912.137**		

(4) Includes mainly receivables from Credicorp Capital Colombia S.A. ($9,349,333) from sale of trust rights held in the trust estate Grupo Contempo Ltda. – Oficinas Oxo Center Bogotá in Fidubogotá S.A.; balance payable by Distrito de Negocios S.A.S. ($3,200,000). Increase on 2014 is explained by the previous transactions.

Aging of receivables

Overdue receivables but not impaired

As on December 31, 2015, the aging analysis of receivables does not report overdue, delinquent or impaired receivables.

12. Current tax assets

Balances in favor of the company determined in private tax returns and ongoing suits, as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Fourth VAT bimonthly period 2011	(1)	$ 2.068.966	$ 2.068.966
First VAT bimonthly period 2012	-	-	1.814.112
Second VAT bimonthly period 2012	-	-	1.676.260
Fourth VAT bimonthly period 2012	-	-	1.432.199
Fifth VAT bimonthly period 2012	-	-	880.282
Sixth VAT bimonthly period 2012	-	1.039.253	1.952.184
First VAT bimonthly period 2013	-	9.624	1.704.548
Second VAT bimonthly period 2013	-	-	1.739.691
Third VAT bimonthly period 2013	-	-	1.119.491
Fourth VAT bimonthly period 2013	-	-	1.352.593
Fifth VAT bimonthly period 2013	-	-	2.957.032
Sixth VAT bimonthly period 2013	-	-	2.431.768
Fifth VAT bimonthly period 2014	-	2.201.568	-
Sixth VAT bimonthly period 2014	-	2.392.834	-
Fourth VAT bimonthly period 2015	(2)	-	-
Fifth VAT bimonthly period 2015	(3)	-	-
Sixth VAT bimonthly period 2015	(3)	-	-
Income tax withholding receivable	(4)	1.074.187	-
Fiscal discount (VAT)	41.568	-	-
Turnover Tax	-	8.663	-
Private income tax return balance in favor	-	-	21.486.275
Current tax assets	**$ 10.982.824**	**$ 8.795.095**	**$ 42.615.401**

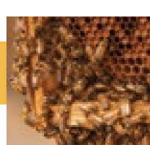
(1) Regarding this reimbursement request, DIAN (Tax and Customs Authority) initially issued writ of prohibition. The company filed a nullity and redress claim with the Supreme State Court of Antioquia; the process is awaiting judgment.

(2) Reimbursement approved on January 04, 2016.

(3) Reimbursement requests to DIAN pending.

(4) Nullity and redress processes pending at the Supreme State Court of Antioquia for reimbursement of undue payments related to withholding tax returns of December, 2010, and January, February and March, 2011.

The company and its legal and tax counsels consider that the amounts corresponding to ongoing suits are recoverable once the respective processes are culminated, therefore no loss or contingent liability associated to them is recorded.



13. Inventories

Detail of inventories:

Description	31/12/2015	31/12/2014	01/01/2014
Materials and spare parts	$ 39.057.112	$ 35.717.122	$ 32.456.415
Total inventories	**$ 39.057.112**	**$ 35.717.122**	**$ 32.456.415**

14. Biological assets

Correspond to rubber plantations, as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Carrying value as on January 01	$ 8.155.144	$ 4.848.255	$ 4.848.255
Purchases or new plantations		3.306.889	-
Adjustment to fair value (*)	2.417.572	-	-
Additions	2.591.008	-	-
Amortization	(404.094)	-	-
Carrying value as on December 31	**$ 12.759.630**	**$ 8.155.144**	**$ 4.848.255**

(*) evaluation of biological assets

The adjustment to fair value of biological assets represented in rubber plantations (land and plantations) was made based on appraisals conducted in November, 2015 by experts Guillermo Restrepo A. and Francisco Ochoa O., who are registered in the National Appraisers Registry of the Superintendency of Industry and Commerce, taking into account the market comparative method (for land), the net replacement cost method (for constructions) and the raising cost (for plantations).

On initial recognition of biological assets at fair value in year 2015, the company recognized a profit of $2,417,572 in the statement of comprehensive income.

The cultivation of rubber and associated risks are detailed below:

a. Description

The company has a rubber (Hevea Brasilensis) plantation of the euphorbiaceae family. There are currently 4 types of clones planted, 3 of American origin (IAN 710, IAN 873 and FX 3864) and 1 of Asian origin (RHIM 600). As on December 31, 2015, there are 394,460 trees (332,000 in 2014), distributed as follows: i) La Sierrita farm 29,560 (29,000 in 2014), ii) Ángela María and El Llano farms 124,800 (91,000 in 2014) and iii) Yocasta and Natalia farms 240,100 (211,000 in 2014). La Sierrita, El Llano and Ángela María farms are located in the municipality of Zaragoza, and Yocasta and Natalia farms in the municipality of Caucasia , both municipalities in Antioquia province. The main objective of the rubber plantation is the production and extraction of latex to be transformed and offered to domestic and export markets as raw material for tires, auto parts and gloves for household and industrial use.

b. Risks

The most common risks in rubber plantations are: I) strong winds (occasional from July to September), for which windbreaker barriers as well as wind-resisting clones are planted; ii) plantation fires, particularly in dry seasons when existing vegetation cover is very dry; this situation may take place in January and February, for which the company has established fire brigades to carry out inspections of plantations, has established water deposits in planted lots and has trained personnel in charge of the plantation.

15. Marketable financial assets

Details of marketable financial assets:

Description	31/12/2015	31/12/2014	01/01/2014
National investment trusts, short term (1)	$ 14.389.935	$ 1.337.624	$ 1.337.624
Short-term TES (2)	7.973.700	9.063.680	-
Other investments (3)	5.942.160	-	7.702.807
Shares in cattle business (4)	148.750	-	-
Shares in foreign mining corporations, short term (5)	125.853	127.470	231.853
Shares in domestic mining corporations, short term	-	8.299.200	1.140.244
Shares in domestic financial corporations, short term	-	2.864.000	6.910.716
Short-term bonds	-	74.349	12.939.632
Fixed-term deposits	-	-	17.333.570
Domestic tax reimbursement securities	-	2.333.614	6.501.748
Short-term shares repurchase rights	-	13.288.885	-
Investment funds	-	8.164.639	13.816.127
Total marketable financial assets designated at fair value through income	**$ 28.580.398**	**$ 45.553.461**	**$ 67.914.321**

(1) Corresponds to trust rights held in the Alianza Fiduciaria – Proyecto Milla de Oro (Medellín) trust where assets contributed to the real estate project are deposited.

(2) Investments in short-term TES:

- TES – Colombian Government: Par value $3,000,000,000; purchase date 22-04-2015; issue 24-07-2005; maturity 24-07-2020; rate 11%
- TES – Colombian Government: Par value $4,000,000,000; purchase date 23-09-2011; issue 24-10-2007; maturity 24-10-2018; rate 11.25%

Fixed income securities in which the company has invested are bonds issued by the Colombian Government or Treasuries (TES) with zero risk. According to the investment policy of Mineros economic group, the issuer risk and counterparty risk are evaluated according to the rating assigned by credit risk agencies. The policy stipulates investing only in issuers with minimum ratings of <A- for international investments and not lower than AA/DP1 for national investments.

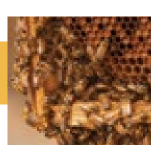
(3) Corresponds to simultaneous active loan operations (funding) conducted as on December 31, 2015 with liquidity surpluses, as follows:

Initial investment date	Title	Issuer	Interest rate	Spread	Term	Issue date	Maturity	Market price
30/12/2015	Bonds	Leasing Bancolombia	TF	7,70	TV	14/09/2011	14/09/2017	$ 632.206
30/12/2015	CDT	Banco Colpatria	TF	5,82	TV	24/02/2015	24/02/2018	1.445.283
30/12/2015	CDT	Banco Corpbanca	TF	7,39	TV	15/10/2015	15/10/2018	1.823.719
29/12/2015	CDT	BBVA	IPC	4,90	TV	24/12/2015	24/12/2030	2.040.952
Total								**$ 5.942.160**

(4) Corresponds to 175,000 shares held in Fogansa S.A. – En Liquidación, company engaged in production, trading and industrialization of agricultural assets with emphasis on cattle production.

(5) Corresponds to 13,320,000 shares held in Canadian mining company QRSEF - QUIA RESOURCES INC., engaged in acquisition, exploration and development of precious metals property in Colombia. The company is currently focusing its exploration activities in La Libertad region, San Lucas Range.

Their market-price valuation was based on the closing price at the Canadian Stock Exchange (OTCMKTS: QRSRF) on the last business day of December.



Marketable financial assets are measured at fair value with changes in income for the period.

Changes in marketable financial assets designated at fair value during 2015 and 2014 periods were:

Financial assets designated at fair value through income	2015	2014
Financial assets as on January 01	**$ 45.553.461**	**$ 71.879.499**
Additions during the period	19.143.221	28.258.607
Liquidations during the period	(39.036.259)	(55.577.067)
Net changes in fair value	2.919.975	1.252.914
Financial assets as on December 31	**$ 28.580.398**	**$ 45.813.953**

16. Hedging operations

Detail of valuation of hedging operations:

Description	31/12/2015	31/12/2014	01/01/2014
Put options contracts (gold)	$ -	$ -	$ 1.148.516
Forwards (USD/$)	-	-	1.348.908
Put options contracts (USD/$)	-	-	143.335
Hedging operations with	14.199.132	1.285.849	-
financial derivative instruments (*)	-	3.200.729	-
Rights for valuation of futures (shares)	**$ 14.199.132**	**$ 4.486.578**	**$ 2.640.759**
Total hedging operations			

As explained in note 2.5.15 (Financial instruments – hedge accounting), as an exporter of 100% of its gold production, the company conducts cash flow hedging operations with derivatives, basically forwards and options structures.

As on December 31, 2015, there are 36 forwards maturing between January and December of 2016 corresponding to 4,000 gold ounces per month, at an average price of USD1,130.50 Rights derived from valuation of forwards on gold prices result in currency rights for $10,109,976. Forward contracts are of two types, non delivery and delivery, and the discounted flow methodology is used for their periodic valuation.

Option contracts are derivatives entitling its buyer to the right but not to the obligation to purchase or sell goods or securities (underlying asset) that in the specific case of the operations conducted by the company are done to mitigate risks derived from the fluctuation of the Dollar in the exchange market. They are periodically valued through the Black & Sholes model, and as on December 31, 2015, there are 48 effective contracts of PUT options for USD 57,600 (thousands) nominal value, whose weighted average strike rate is USD/$ 3,000, generating rights in favor of the company for $4,089,156.

17. Cash and cash equivalents

Cash and cash equivalents break down as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Petty cash	$ 10.946	$ 15.962	$ 20.633
Banks local currency	207.650	395.970	393.353
Banks foreign currency (US Dollars)	4.247.778	980.013	680.058
Investment funds	9.870	1.727.351	4.949
Funds on demand abroad	79.137	85.356	56.331
Total cash equivalents	**$ 4.555.381**	**$ 3.204.652**	**$ 1.155.324**

Average return of these accounts is 0.94% EA (2014 - 2.15% EA - 2015 - 0.60 EA).

18. Share capital, treasury stock and share premium

Below is the breakdown of share capital, treasury stock and share premium as on December 31, 2015 and 2014:

A. Share capital and treasury stock

Description	31/12/2015	31/12/2014	01/01/2014
Initial capital	$ 158.953	$ 158.953	$ 158.953
Increase (Decrease)	-	-	-
Total capital	**$ 158.953**	**$ 158.953**	**$ 158.953**

The number of outstanding shares is 261,687,402 as on December 31, 2015, 2014 and January 01, 2014, as follows:

Description	Número de acciones
Common shares (1)	317.906.252
Treasury stock (2)	(56.218.850)
Total outstanding shares	**261.687.402**

(1) Pubic deed 1030 of April 13, 2005 of Notary Public Office 17 of Medellin formalized Minutes 44 of the Regular Shareholders' Meeting of March 18, 2005, where the authorized capital of $200,000 was divided into 400,000,000 common shares, each with a par value of fifty cents ($0.50*). Of these shares, 261,687,402 were outstanding as on December 31, 2015 and 2014.

(2) As on December 31, 2015 and 2014 no repurchase of own shares took place.

According to Article 396 of the Colombian Code of Commerce, as long as these shares remain the property of the corporation, the rights inherent to them shall be suspended.

The market price of the company's common shares was $1,845 per share as on December 31, 2015 ($2,400 per share as on December 31, 2014), and trading frequency in 2015 was 68.75% (61.21% in 2014).

B. Share premium

Corresponds to the higher amount paid above the par value of shares in subsequent capitalizations; it is equal to $1,551,099. This amount cannot be distributed as earnings but is susceptible of tax-free capitalization.

19. Reserves

This item includes:

Description	31/12/2015	31/12/2014	01/01/2014
Legal (1)	$ 79.477	$ 79.477	$ 79.477
For future expansions (2)	322.711.253	314.079.324	308.154.142
For acquisition or replacement of property, plant and equipment (2)	23.589.173	26.735.253	24.335.253
Balance-reduction reserve (special depreciation system) (3)	35.444.864	33.419.076	30.503.013
Reserve for repurchase of shares	11.191.282	11.191.282	11.191.282
For use of special investment revaluation systems (4)	39.061.436	39.061.436	39.061.436
Other	-	40.371	40.371
Total reserves	**$ 432.077.485**	**$ 424.606.219**	**$ 413.364.974**

Changes in reserves are detailed as follows:

Description	2015	2014
Balance of reserves as on January 01	$ 424.606.219	$ 413.364.974
Net changes in reserves	7.471.266	11.241.245
Balance of reserves as on December 31	**$ 432.077.485**	**$ 424.606.219**

(1) Colombian law requires the company to transfer at least 10% of annual net income to a legal reserve until the balance of the reserve is equal to 50% of subscribed capital. Such reserve cannot be distributed but can be used to absorb losses. As on December 31, 2015 and 2014, this sum equals 50% of subscribed and paid-in capital.

(2) Changes in these reserves are the result of appropriations approved by the Regular Shareholders' Meeting held on March 18, 2015, according to Minutes No. 54.

(3) Since 2012, the Shareholders' Meeting, in compliance with Article 130 of the Tax Law, has appropriated this reserve from net income, equivalent to 70% of the highest value between fiscal depreciation and per-books depreciation. As legally provided, this reserve can be released whenever subsequent per-books depreciation exceeds annual tax depreciation, or when the assets giving rise to the incremental amount deducted are sold. The amount established in 2015 was $1,985,417 (2014 $2,916,063) and the amount released was $3,623,810 (2014 $5,087,377).

(4) Corresponds to the reserve established in 2009 for matters of Article 1 of Regulatory Decree 2336 of 1995 (tax regulation).

20. Other accumulated comprehensive income

As provided in IAS 1, Other Comprehensive Income must include certain entries grouped in two types of categories: (I) those not reclassified subsequently to income for the period, and (ii) those reclassified subsequently to income for the period when certain conditions are met.

For this purpose, the company's Other Comprehensive Income includes the following entries:

Description	31/12/2015	31/12/2014	01/01/2014
Revaluation of assets	$ 9.400.854	$ -	$ -
Measurement of defined benefit plans	(72.922)	(311.566)	-
Cash flow hedges accounting	5.945.123	452.707	-
Total other accumulated comprehensive income	**$ 15.273.055**	**$ 141.141**	**$ -**

Changes in Other Comprehensive Income Net as on December 31:

Other comprehensive income, net of taxes	31/12/2015	31/12/2014
Items not to be subsequently reclassified as income for the period:		
Measurement of defined benefit plans	$ 32.571	$ (105.494)
Revaluation of property, plant and equipment	9.400.854	-
Subtotal	**9.433.425**	**(105.494)**
Items that may be subsequently reclassified as income for the period:		
Cash flow hedges	5.698.490	246.635
Subtotal	5.698.490	246.635
Total other comprehensive income	**$ 15.131.915**	**$ 141.141**

21. Loans and borrowings

Breakdown of figures included in this item:

Description	31/12/2015	31/12/2014	01/01/2014
Leasing Bancolombia S.A. (1)	$ 100.147.253	$ 113.405.687	$ 88.582.906
Bancolombia (Panama) S.A.	-	-	30.622.841
Banco de Bogotá Miami (Agency) (2)	76.129.390	94.857.068	-
Bancolombia S.A.	37.641	36.501	83.340
Total loans and borrowings	**176.314.284**	**208.299.256**	**119.289.087**
Minus current portion	38.208.331	39.059.945	11.839.939
Non-current portion (3)	$ 138.105.953	$ 169.239.311	$ 107.449.148

(1) Infrastructure leasing contracts as described below, which were subscribed on February 17, 2011 and January 25, 2011, respectively with Leasing Bancolombia S.A.:

Contract No.	Interest rate	Term	Civil works
119709	DTF + 3.25%	144 months	Expansion of Providencia I Hydroelectric Plant
119710	DTF + 3.05%	144 months	Construction of Providencia II Hydroelectric Plant

(1) Unnumbered promissory note, for USD39,006,530, term 72 months, payable in semi-annual installments at Libor 180 days + 2.8% EA, maturing on November 27, 2019.

(2) Below is a relation of maturities for non-current loans with the financial sector and the amounts paid in 2015 and 2014.

Maturity	Bancolombia Leasing ($)	Valor Crédito Banco de Bogotá Miami	
		USD	COP
2017	6.271.930	6.000.000	14.697.527
2018	6.818.641	6.000.000	14.697.527
2019 onwards	80.922.802	6.000.000	14.697.527
Total	**$ 94.013.373**	**18.000.000**	**$ 44.092.580**

Maturity	$	USD (Thousands)
2014	$ 864.838	39.980
2015	$ 33.341.967	16.800

22. Employee benefits liabilities

Includes the following items:

Description	31/12/2015	31/12/2014	01/01/2014
Salaries payable	$ 30.980	$ 38.156	$ 437.219
Retroactive severance payments (1)	2.960.361	3.069.372	2.260.569
Severance payments Law 50 of 1990	1.627.784	-	1.396.217
Interest on severance payments	287.259	249.170	252.225
Vacations and vacation savings	1.537.209	1.692.064	1.548.665
Retirement bonus (2)	970.175	684.045	1.154.672
Retirement pensions (3)	1.582.067	1.606.945	1.491.612
Total employee benefits liabilities	**$ 8.995.835**	**$ 7.339.752**	**$ 8.541.179**
Minus current portion	3.483.232	3.518.385	3.634.326
Non-current portion	5.512.603	3.821.367	4.906.853

(1) Estimate as on December 31, 2015 and 2014 of current value of severance payments for the company's personnel not covered by Law 50 of 1990 that have therefore the benefit of retroactivity for severance payments after discounting advance payments. This fringe benefit is calculated for the whole period worked based on the latest salary earned, for each year of service, and includes 12% interest on retroactive accumulated severance payments at the end of the year liquidated annually.

These benefits are valued annually through the projected unit credit as provided in IAS 19, for 70 employees in 2015 (76 in 2014) based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Annual inflation rate	3,5%	2,41%
Minimum wage annual increase rate	4%	3,41%
Salary readjustment rate	5%	5%
Discount rate	7,35%	5,62%

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Balance of retroactive severance payments on January 01	$ 3.069.372	$ 2.260.569	$ 2.260.569
Service costs	293.739	232.007	-
Actuarial profits (losses)	-	1.013.324	-
Year payments	(402.750)	(436.528)	-
Balance of retroactive severance payments on December 31	**$ 2.960.361**	**$ 3.069.372**	**$ 2.260.569**

For this actuarial calculation the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used.

(2) Corresponds to the estimate of the obligation of MINEROS S.A. for bonuses payable at the time of retirement equal to $6.500 (thousands).

These benefits are valued annually through the projected unit credit as provided in IAS 19, for 421 employees in 2015 (460 in 2014) based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Benefit increment rate	9,21%	5%
Discount rate	8,79%	6,77%

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 684.045	$ 1.154.672	$ 1.154.672
Service costs	74.415	51.871	-
Interest costs	43.669	68.211	-
Actuarial profits (losses)	207.046	(536.209)	-
Year payments	(39.000)	(54.500)	-
Total retirement bonus	**$ 970.175**	**$ 684.045**	**$ 1.154.672**

For this actuarial calculation the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used; for employee turnover rate, statistics prepared by the company for personnel under indefinite-term contract were used as a base, as follows:

Time of service range	Retirements average (%) in the 31/12/2015 range	Retirements average (%) in the 31/12/2014 range
0 to 2		
Over 2 to 5	2,99	5,48
Over 5 to 10	0,78	-
Over 10 to 15	3,51	-
Over 15 to 20	-	3,03
Over 20 to 30	5,77	-
Over 30	5,08	6,56

(3) The retirement pensions currently under the responsibility of Mineros S.A. correspond to those employees who on the date of the ISS transfer Resolution (November, 1997), had expectations to qualify for the special retirement pension agreed in the Collective Bargaining Agreement (18 years of service, 47 years of age), and therefore, the recognition date depended on the worker's will, or to those workers who on the date of the same Resolution were not active company workers and had retired with the expectation of retirement pension, with only the age requirement pending.

Valuations conducted for MINEROS S.A. by an actuarial expert determine the current value of the obligation as on December 31, 2015 and 2014 for pensions and survival payments under application of Colombian pension legislation, and include additional monthly payments in June and December each year as well as funeral aid payable to retirees whose pension the company is totally responsible for.

The actuarial estimate for retirement pensions is determined annually using the "projected unit credit method" as provided in IAS 19 for 17 pensioners as on December 31, 2015 and 2014, whose benefit is already consolidated based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Discount rate	8,39%	6,38%
Pension readjustment rate	3,5%	2,41%
Employee turnover	N.A.	N.A.

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 1.606.945	$ 1.491.612	$ 1.491.612
Service costs	-	-	-
Interest costs	91.758	80.240	-
Other comprehensive income actuarial profit (loss)	52.088	232.512	-
Year payments	(168.724)	(197.419)	-
Total retirement	**$ 1.582.067**	**$ 1.606.945**	**$ 1.491.612**

For actuarial calculations as on December 31, 2015 and 2014, the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used.

Additionally, the company finances the payment of retirement pensions for which it is responsible for with own funds, that is, the pension liability is not backed by any trust with specific destination.

The amounts recognized in the comprehensive income statement for retirement pensions break down as follows:

Item	31/12/2015	31/12/2014
Appropriation for pensions (actuarial estimate)	$ 37.865	$ 35.993
Pension payments	$ 206.589	$ 197.558

23. Deferred tax liability

Detailed deferred income tax:

Description	31/12/2015	31/12/2014	01/01/2014
Deferred tax asset	$ 100.213.677	$ 42.009.930	$ 58.108.398
Deferred tax liability	(138.013.254)	(84.930.229)	(104.193.354)
Total deferred tax liability (net)	**$ (37.799.577)**	**$ (42.920.299)**	**$ (46.084.956)**

Changes in deferred income tax are:

Description	31/12/2015	31/12/2014	01/01/2014
Initial balance	$ (42.920.299)	$ (46.084.956)	$ (46.084.956)
Charge to the statement of comprehensive income	8.485.884	229.224	-
Deferred tax effect on other comprehensive income	(3.365.162)	3.393.881	-
Total deferred tax liability (net)	**$ (37.799.577)**	**$ (42.920.299)**	**$ (46.084.956)**

Movements of deferred tax assets and liabilities in the year are:

	IMPUESTOS DIFERIDOS PASIVOS				
Term	**Property, plant and equipment**	**Other assets**	**Financial liabilities**	**Other liabilities**	**Total**
01/01/2014	**$ (86.071.559)**	**$ 10.636.921**	**$ 30.175.840**	**$ (826.159)**	**$ (46.084.956)**
Charge to the statement of comprehensive income	8.274.030	(13.930.246)	5.593.708	(166.716)	(229.224)
Charge to other comprehensive income	-	3.393.881	-	-	3.393.881
31/12/2014	**$ (77.797.529)**	**$ 100.556**	**$ 35.769.548**	**$ (992.875)**	**$ (42.920.299)**
Charge to the statement of comprehensive income	1.989.929	1.223.332	3.102.791	2.169.832	8.485.884
Charge to other comprehensive income	-	(3.365.162)	-	-	(3.365.162)
31/12/2015	**$ (75.807.600)**	**$ (2.041.274)**	**$ 38.872.339**	**$ 1.176.957**	**$ (37.799.577)**

24. Provisions

The value of provisions is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Labor (1)	$ 1.910.000	$ 835.000	$ 435.000
Administrative (2)	597.720	597.720	597.720
Decommissioning of assets (3)	633.382	58.620	58.620
Environmental liabilities (4)	284.894	272.626	262.899
Total provisions	**$ 3.425.996**	**$ 1.763.966**	**$ 1.354.239**

(1) This provision is recognized for estimated probable loen there has been a trial court decision against the company, or when an appeal has been filed with the appeals courts or the Supreme Court. The provision is reviewed annually based on the report presented by the company's labor counsels.

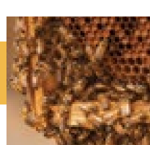
(2) Provision for the contingency of losses in two administrative environmental penalty processes filed by Corporación Autónoma Regional del Centro de Antioquia (CORANTIOQUIA), Panzenú region, for alleged infringement of environmental regulations by MINEROS S.A. in carrying out its mining operations in the Northeastern region of Antioquia Province. The amount of the contingency was estimated by an environmental experts firm since the penalty was not determined by the administrative authority.

(3) The provision for decommissioning of assets represents the closing costs expected to be incurred between 2016 and 2021 for closing the facilities of La Ye Mine (municipality of Zaragoza-Antioquia province) and the tailings associated to underground mining exploitation. The estimate of such closing costs is based on studies prepared by the company's technical experts in compliance with environmental regulations in force.

The provision corresponds mainly to activities necessary to restore the zones that have been affected by mining exploitation works, such as earth removal, dismantling of the processing plant, closing of mine portals, monitoring, and revegetation works. Closing budgets for La Ye Mine and tailings are reviewed periodically to take into account any significant change occurred in any of the studies conducted; however, closing costs will depend on market prices of the required closing works that will reflect future economic conditions. Additionally, the moment when the expenditures will be carried out will depend on the mine's useful life, which will depend in turn on future gold quotes and new areas to be developed resulting from exploration activities.

(4) The most commonly known international definition of Mining Environmental Liabilities (Oblasser y Chaparro 2008) refers to "an area where there is a need to restore, mitigate or compensate for environmental damage or impact produced by inactive or abandoned mining acsses in labor suits whtivities that have not been managed and pose a risk to human health, the quality of life, or public or private property".

Environmental liabilities for the company according to the study prepared by independent consulting firm Ambiental Mente S.A.S. correspond to activities that would need to be carried out to correct, compensate or mitigate the environmental impact caused by the eventual closing of the alluvial mining operation, such as unmanaged tailings, land settlement and management of safety cells I and II.



Changes of provisions during the 2015 - 2014 period:

Description	2015	2014
Balance of provisions as on January 01	$ 1.763.966	$ 1.354.239
Additions	1.774.029	409.727
Used (-)	(124.267)	-
Adjustments for discount rate	12.268	-
Balance of provisions as on December 31	**$ 3.425.996**	**$ 1.763.966**

25. Hedging operations

Detail of valuation of hedging operations is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Forward contracts	$ -	$ -	$ 93.594
Call options contracts (gold)	-	-	68.599
Call options contracts (USD/$)	-	-	66.632
Hedging operations with derivative financial instruments	8.663.284	3.709.514	-
Total hedging operations	**$ 8.663.284**	**$ 3.709.514**	**$ 228.825**

This liability, as explained in Note 2.5.15 (Financial instruments – hedge accounting), in agreement with Note 16 (Hedging operations), represents the obligations derived from Call option contracts executed by the company as on December 31, 2015, corresponding to 48 contracts with USD 57,600 (thousands) nominal value and weighted average strike rate of USD/$ 3,260.91.

26. Creditors and other payables

This item corresponds to:

Description	31/12/2015	31/12/2014	01/01/2014
Suppliers	$ 7.919.114	$ 5.536.268	$ 4.181.687
VAT and income tax withholding	1.806.272	1.465.269	1.021.345
El Bagre turnover withholding tax	13.924	13.164	16.111
Payroll withholdings and contributions	1.172.634	1.182.989	1.235.058
Other	6.966.943	9.335.976	6.570.458
Total Creditors and other payables	**$ 17.878.887**	**$ 17.533.666**	**$ 13.024.659**

According to the company's policy, obligations for creditors and other payables arising from the regular corporate business course are paid within a maximum term of 30 days.

27. Payables to subordinate companies

Includes the following items:

Description	31/12/2015	31/12/2014	01/01/2014
Operadora Minera S.A.S.	$ 1.802.461	$ 1.942.799	$ 1.840.915
Exploradora Minera S.A.S.	8.663	19.293	24.808
Total subordinate companies	**$ 1.811.124**	**$ 1.962.092**	**$ 1.865.723**

Balances payable to domestic subsidiaries correspond to operating (La Ye Mine) and exploration services delivered by the two companies in the last month of the year, which are paid within 30 days.

28. Other financial liabilities

The amount of financial liabilities is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Declared regular dividends *	$ 7.850.622	$ 7.850.622	$ 10.205.808
Payable accrued dividends	-	-	915.906
Former periods dividends	1.043.360	943.792	833.177
Total other financial liabilities	**$ 8.893.982**	**$ 8.794.414**	**$ 11.954.891**

* According to Minutes No. 54 of the Regular Shareholder's Meeting of March 18, 2015, the proposal for payment of dividends was approved. Monthly dividend is $10 (ten Pesos) per share on total 261,687,402 outstanding shares, for a monthly value of $7,850,622 for the April 2015-March 2016 period, payable between the 10th and the 20th day of each month. Shareholders registered in the shareholder register on the ex-dividend day of the same period determined in the General Regulations of the Colombian Stock Exchange, as provided in article 2 of Decree 4766 of 2011, are entitled to the month's dividend.

$31,402,488 thousand was appropriated from earnings of the year 2014 for payment of dividends.

For the current fiscal year, $22,508,506 has been accrued and paid for the periods between April and December.

ITEM	2015	2014
Declared dividends	$ 31.402.488	$ 31.402.488
Paid dividends	(22.508.506)	(22.608.074)
Dividends payable	**$ 8.893.982**	**$ 8.794.414**

29. Current tax liabilities

Fiscal provisions applicable to the company stipulate that the nominal rate applicable to income tax for 2015 and 2014 is 25%; to income tax for equity (CREE) is 9% and a 5% marginal rate surcharge on taxable income for tax year 2015 (applicable when fiscal income is greater than $800 million).

The basis to determine both income tax and CREE tax cannot be lower than 3% of its net fiscal equity on the last day of the immediately previous taxable period.

Additionally, there is a supplementary tax on windfall profits generated by gains from the sale of fixed assets held in Colombia for more than two (2) years, at a 10% rate on gain (Law 1607 of 2012).

As established in Law 1739 of 2014 (latest tax law amendment), starting 2015 and until taxable year 2017, a tax on wealth is created for legal entities, accruable on the possession of wealth (gross equity minus outstanding debt) equal to or greater than $1,000 million, with differential rates depending on taxable basis and year ranges. Article 10 of same Law provided for the possibility of allocating this tax against equity reserves, without affecting income for the year. For 2015, $5,546,080 was recognized as released reserve for reduction of non-taxed balances.

Additionally, Article 165 of Law 1607 of 2012 established that only for tax matters in Colombia, references to accounting regulations contained in tax regulations will continue in force under accounting principles generally accepted in Colombia (COLGAAP) during four (4) years following the effectiveness of IFRS, in order to measure the fiscal effects during this period and propose adoption of pertinent legal provisions. In application of its regulatory capacity, the Ministry of Finance issued Decree No. 2548 of December 12, 2014 setting forth that entities required to carry accounting shall have an additional registry system for all differences arising between the new regulatory frameworks and the information prepared under COLGAAP; for this purpose, such differences can be carried through mandatory registries or through the so-called "Tax Book". For 2015 taxable year, MINEROS S.A. used the tax book when determining provision for income tax and CREE tax.

Current tax liabilities include:

Description	31/12/2015	31/12/2014	01/01/2014
Income tax in favor (payable) (1)	$ (1.256.060)	$ 10.043.818	$ -
Supplementary tax on windfall profit (2)	2.109.339	-	-
Income tax for equity (CREE) in favor (payable) (3)	(4.623.177)	3.449.247	2.579.859
CREE surtax (4)	2.710.563	-	-
Tax payable previous periods	1.922.264	240.960	-
Tax on equity	-	-	4.569.766
Total current tax liabilities	**$ 862.929**	**$ 13.734.025**	**$ 7.149.625**

(1) Below are the calculation details for regular income tax:

Description	31/12/2015	31/12/2014
Pre-tax profit or loss for the period according to IFRS	$ 86.569.927	$ 65.207.041
Minus or plus adjustments for conversion to COLGAAP for tax effects (Regulatory Decree 2548 of 2014)	(21.849.593)	8.919.565
Pre-tax profit or loss for the period under COLGAAP	64.720.334	74.126.606
Plus revenue for fiscal effects:		
Dividends actually received and recorded under the equity method, according to local standard	-	5.406.555
Recovery of balance-reduction depreciation	-	4.168.312
Minus accounting entries susceptible of constituting windfall profit		
Revenue from sale of investments and fixed assets taxed as windfall profit	(23.795.222)	-
Minus revenue not subject to tax:		
Revenue not constituting income or windfall profit	(72.859)	(6.213.746)
Revenue from revaluation of shares	-	(1.411.537)
Asset back to normal - policy recovery	(5.000.000)	-
Revenue not earned through equity method	(2.560.326)	(758.174)
Others not taxed	(1.221.657)	-
Minus deductions from:		
New rubber plantations	(2.018.500)	(2.718.770)
Gifts paid against reserve which constitute fiscal deduction	(1.000.000)	(1.000.000)
Plus non-deductible expenses:		
Loss in foreign corporations through equity method	-	5.047.744
Investments impairment	-	3.856.905
Loss in sale and retirement of assets	3.365.773	1.129.693
Levy on financial transactions	663.866	583.952
Discharge duties requested as deduction in 2013	14.593.438	-
Other non-deductible expenses	2.197.480	131.700
Net taxable income	**49.872.327**	**82.349.240**
Tax rate	25%	25%
Total current income tax	**12.468.082**	**20.587.310**
Plus transfers from deferred income tax	810.917	1.042.078
Total current income tax	**13.278.999**	**21.629.388**
Withholding tax	(4.779.789)	(3.846.343)
Income tax advance payment	(9.755.270)	(7.739.227)
Balance payable	**$ (1.256.060)**	**$ 10.043.818**

The company's tax returns are firm until taxable year 2012.

(2) Below are the calculation details for windfall profit surtax:

Description	31/12/2015	31/12/2014
Revenue from sale of assets held for more than 2 years	$ 108.479.273	$ -
Cost of assets	(87.385.888)	-
Taxed windfall profit	21.093.385	-
Tax rate	10%	10%
Total tax on windfall profit	**$ 2.109.339**	**$ -**

* Reconciliation of the income tax effective rate, starting from pre-tax income under COLGAAP, is presented below:

Description	2015		2014	
	Value	Rate (%)	Value	Rate (%)
Tax generated on pre-tax profit or loss for the period under IFRS	**$ 16.180.084**	**25**	**$ 18.531.652**	**25**
Plus revenue for fiscal effects:				
Dividends actually received and recorded under the equity method according to local standard	-	-	1.351.639	2
Recovery for balance-reduction depreciation	-	-	1.042.078	1
Minus accounting entries susceptible of constituting windfall profit				
Revenue from sale of investments and fixed assets taxed as windfall profit	(5.948.806)	9	-	-
Minus revenue not subject to tax:				
Revenue not constituting income or windfall profit	(18.215)	-	(1.553.437)	2
Revenue from revaluation of shares	-	-	(352.884)	1
Asset back to normal - policy recovery	(1.250.000)	2	-	-
Revenue not earned through equity method	(640.082)	1	(189.544)	-
Others not taxed	(305.414)	0	-	-
Minus deductions from:				
New rubber plantations	(504.625)	1	(679.693)	1
Gifts paid against reserve which constitute fiscal deduction	(250.000)	0	(250.000)	-
Plus non-deductible expenses:				
Loss in foreign corporations through equity method	-	-	1.261.936	2
Investments impairment	-	-	964.226	1
Loss in sale and retirement of assets	841.443	1	282.423	1
Levy on financial transactions	165.967	0	145.988	-
Discharge duties requested as deduction in 2013	3.648.360	5	-	-
Other non-deductible expenses	549.370	1	32.926	-
Current income tax	**$12.468.082**	**19**	**$20.587.310**	**28**

(3) Below are the calculation details for income tax for equity (CREE) through the regular system:

Description	31/12/2015	31/12/2014
Pre-tax profit or loss for the period under IFRS	**$ 86.569.927**	**$ 65.207.041**
Minus or plus adjustments for conversion to COLGAAP for tax effects (Regulatory Decree 2548 of 2014)	(21.849.593)	8.919.565
Pre-tax profit or loss for the period under COLGAAP	**64.720.334**	**74.126.606**
Plus revenue for fiscal effects:		
Dividends actually received and recorded under the equity method according to local standard	-	5.406.555
Recovery of balance-reduction depreciation	-	4.168.312
Minus accounting entries susceptible of constituting windfall profit		
Revenue from sale of investments and fixed assets taxed as windfall profit	(23.795.222)	-
Minus revenue not subject to tax:		
Revenue not constituting income or windfall profit	(72.859)	(6.213.746)
Revenue from revaluation of shares	-	(1.411.537)
Asset back to normal - policy recovery	(5.000.000)	-
Revenue not earned through equity method	(2.560.326)	(758.174)
Others not taxed	(1.221.657)	-
Plus CREE non-deductible expenses:		
Gifts	2.120.434	1.311.920
New rubber plantations	-	-
Loss in foreign corporations through equity method	-	5.047.744
Investments impairment	-	3.856.905
Loss in sale and retirement of assets	3.365.773	1.129.693
Levy on financial transactions	663.866	583.952
Discharge duties requested as deduction in 2013	14.593.438	-
Other non-deductible expenses	2.197.480	131.700
Taxable basis for income tax for equity CREE	**55.011.261**	**87.379.930**
Tax rate	9%	9%
Income tax for equity CREE	4.951.013	7.864.194
Plus transfers from deferred income tax for equity	486.550	630.416
Total income tax for equity	**5.437.563**	**8.494.610**
CREE self-withholding	(6.090.995)	(5.045.363)
CREE advance payment previous year	(3.969.745)	-
Balance in favor (payable)	**$ (4.623.177)**	**$ 3.449.247**

* Reconciliation of the income tax for equity CREE effective rate, starting from pre-tax income under COLGAAP, is presented below:

Description	2015		2014	
	Value	Rate (%)	Value	Rate (%)
Tax generated on pre-tax profit or loss for the period under IFRS	**$ 5.824.830**	**9**	**$ 6.671.395**	**9**
Plus revenue for fiscal effects:				
Dividends actually received and recorded under the equity method according to local standard	-	-	486.590	1
Recovery for balance-reduction depreciation	-	-	375.148	-
Minus accounting entries susceptible of being windfall profit				
Revenue from sale of investments and fixed assets taxed as windfall profit	(2.141.570)	3	-	-
Minus revenue not subject to tax:				
Revenue not constituting income or windfall profit	(6.557)	-	(559.237)	1
Revenue from revaluation of shares	-	-	(127.038)	-
Asset back to normal - policy recovery	(450.000)	1		
Revenue not earned through equity method	(230.429)	-	(68.236)	-
Others not taxed	(109.949)	0	-	-
Plus non-deductible expenses:				
Gifts	190.839	-	118.073	-
Loss in foreign corporations through equity method	-	-	454.297	1
Investments impairment	-	-	347.121	-
Loss in sale and retirement of assets	302.920	1	101.672	-
Levy on financial transactions	59.748	-	52.556	-
Discharge duties requested as deduction in 2013	1.313.409	2	-	-
Other non-deductible expenses	197.772	-	11.853	-
Income tax for equity CREE	**$ 4.951.013**	**8**	**$ 7.864.194**	**10**

(4) (1) Below are the calculation details for surtax of income tax for equity (CREE) :

Description	31/12/2015	31/12/2014
Taxable basis for surtax for equity (CREE)	$ 55.011.261	$ -
Minus: first $800,000 not taxed (Article 22 of Law 1739 of 2014)	(800.000)	-
Subtotal	**54.211.261**	**-**
Tax rate	5%	-
Surtax of income tax for equity (CREE)	**$ 2.710.563**	**$ -**

The amount registered in the statement of comprehensive income for income tax, income tax for equity CREE and surtax is detailed as follows:

Description	31/12/2015	31/12/2014
Income tax	$ 14.577.421	$ 20.587.310
Income tax for equity (CREE)	4.951.013	8.119.462
Surtax of income tax for equity (CREE)	2.710.563	-
Deferred tax revenue (expense) IFRS	(8.485.884)	(735.122)
Total	**$ 13.753.113**	**$ 27.971.650**

MINEROS S.A. paid $4,458,942 for tax on wealth in 2015; in 2016, it will have to pay $5,046,080, approximately, within the terms established by the National Government.

30. Revenue from regular activities

The company obtains regular revenue from the export of gold and precious metals. Sales to customers by country:

Country	31/12/2015	31/12/2014
United States	$ 178.540.883	$ 263.008.492
Switzerland	43.985.980	39.300.120
England	130.177.227	-
Total sales of gold and precious metals	**$ 352.704.090**	**$ 302.308.612**

Revenue received from main customers for net sales are presented below:

Description	31/12/2015	31/12/2014
INTL FCSTONE LTD	37%	0%
Auramet Tranding	36%	41%
INTL Commodities Inc.	14%	46%
Metalor	5%	4%
Argor	8%	9%
Total sales of gold and precious metals	**100%**	**100%**

The company's gold sales are made to brokers and renowned international companies. Some of these customers have sales contracts that guarantee the supply of the company's output at prices based on current market quotes.

31. Costs of sales and operation

The balance of this account includes:

Description	31/12/2015	31/12/2014
Personnel expenses	$ 48.811.665	$ 40.228.879
Materials and spare parts	46.179.119	38.790.654
Services	37.623.321	33.828.054
Depreciation	27.225.782	24.774.822
Taxes	12.303.484	10.559.317
Maintenance and repairs	10.602.476	7.235.829
Miscellaneous	9.887.727	5.116.750
Amortization	8.814.673	12.517.803
Fees	3.202.284	1.887.075
Housing and living expenses	1.316.800	1.198.407
Legal	870.771	914.033
Contributions and memberships	671.787	1.056.569
Insurance	534.877	244.775
Leases	433.607	1.273.378
Adaptation and installation	139.524	380.098
Total cost of sales and operation	**$ 208.617.898**	**$ 180.006.444**

32. Other revenue

Includes the following items:

Description	31/12/2015	31/12/2014
Sale of investments in controlled companies (*)	$ 47.794.727	$ -
Services	3.394.032	3.368.298
Hedge contracts	3.232.506	283.121
Energy sales	3.154.210	-
Income from equity method	2.359.856	732.275
Reimbursement of costs and expenses	1.355.945	1.319.702
Miscellaneous	980.560	1.022.295
Sale of shares listed in the stock exchange	483.441	740.107
Recoveries	284.610	2.977.323
Sale of securities	198.571	118.322
Gain in sale of assets	194.603	11.000
Leases	60.243	48.751
Sale of agricultural products	21.815	69.199
Total other revenue	**$ 63.515.119**	**$ 10.690.393**

(*) Income from liquidation of Mineros LLC (USA), the corporation vehicle through which the controlling shareholding in HEMCO Nicaragua S.A. was initially acquired.

33. Administration expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Personnel expenses	$ 8.529.216	$ 8.255.719
Services	1.087.498	1.143.657
Fees	971.592	792.785
Maintenance and repairs	788.542	600.615
Amortization	761.396	316.556
Housing and living expenses	712.120	770.300
Taxes	682.276	228.228
Miscellaneous	678.811	1.313.233
Depreciation	317.193	357.220
Insurance	241.653	234.470
Contributions and memberships	139.709	400.458
Leases	77.499	138.957
Adaptation and installation	16.851	38.391
Legal	14.843	29.670
Total administration expenses	**$ 15.019.199**	**$ 14.620.259**

34. Other expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Retirement of assets	$ 1.011.195	$ 380.619
Loss from equity method	-	18.272.256
Pre-paid obligations	-	2.474.131
Levy on financial transactions	1.327.733	1.167.904
Taxes assumed	1.346.433	1.357.249
Duty for use of water resources (1)	14.593.438	-
Estimated liabilities	1.075.000	400.000
Labor claims	30.840	57.149
Gifts	2.120.434	311.920
Communications expense	557.188	588.730
Community aid	60.603	228.025
Maintenance fees	119.230	151.741
Amortization of explorations and others (2)	46.859.506	26.021.506
Energy sales expenses	2.766.794	-
Other non-operating expenses	-	4.619.452
Other expenses	1.932.931	92.572
Total other expenses	**$ 73.801.325**	**$ 56.123.254**

(1) Definitive duty calculated and paid for 2013 as a result of reconsideration request made by the company against the administrative act initially issued by the environmental authority (CORANTIOQUIA) imposing a higher duty.

(2) In 2015, the company, based on technical reports presented by the geology area, carried to the period's results as other expenses $42,603,556 corresponding to mining projects considered economically unviable (2014 $15,260,349).

35. Financial revenue

Includes the following items:

Description	31/12/2015	31/12/2014
Interest	$ 5.424.374	$ 6.485.911
UVR adjustment	2.397	3.629
Revaluation of securities	2.919.975	1.872.378
Revaluation of derivatives (hedges)	4.089.155	260.123
Revaluation of biological assets	2.417.572	-
In trust rights	541.646	471.314
Domestic and foreign dividends	19.400	189.332
Total financial revenue	**$ 15.414.519**	**$ 9.282.687**

36. Financial expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Banking expenses	$ 180.540	$ 12.082
Commissions	170.051	378.530
Interest	9.240.262	4.353.760
Hedge contracts	14.755.066	3.889.575
Loss in sale of investments	280.124	825.348
Financial assets impairment	788.557	3.891.793
Derivatives impairment	8.913.222	329.686
Total financial expenses	**$ 34.327.822**	**$ 13.680.774**

37. Exchange gain/loss

Includes the following items:

Description	31/12/2015	31/12/2014
Debtors	$ 13.874.878	$ 28.590.846
Investments	350.711	918.071
Cash and banks	67.714	(269.383)
Foreign exchange financial liabilities	(27.590.860)	(21.883.454)
Total exchange gain/loss	**$ (13.297.557)**	**$ 7.356.080**

38. Earnings per share

Basic and diluted earnings per share

Basic earnings per share are calculated by dividing income attributable to the company's shareholders by the weighted average of common outstanding shares, excluding common shares acquired by the company and held as treasury stock.

Diluted earnings per share are calculated by adjusting the average number of common outstanding shares to simulate the conversion of all dilutive potential common shares. The company does not have dilutive potential common shares.

Below are the details:

Description	31/12/2015	31/12/2014
Income after taxes	$ 72.816.814	$ 37.235.391
Weighted average of common outstanding shares	261.687.402	261.687.402
Earnings per share	**$ 278,26**	**$ 142,29**

39. Measurement of fair value on a recurring and non-recurring basis

The methodology established in IFRS 13 Measurement of Fair Value specifies a hierarchy for valuation techniques based on whether the inputs used in determining fair value are observable or non-observable. MINEROS S.A. determines fair value on a recurring and non-recurring basis, as well as for disclosure effects:

- Based on prices quoted in active markets for assets and liabilities identical to those to which MINEROS S.A. can have access to on the measurement date (level 1).

- Based on valuation techniques commonly used by market participants that use inputs different from quoted prices directly or indirectly observable for assets and liabilities (level 2).

- Based on internal valuation techniques of discounted cash flows or other valuation models, using inputs estimated by MINEROS S.A. unobservable for the asset or liability, in absence of inputs observed in the market (level 3).

In 2015, no transfers were made into or out of the fair value hierarchy levels.

Valuation techniques and inputs used by MINEROS S.A. in measuring fair value for recognition and disclosure:

1. **Cash and cash equivalents:** includes cash and banks and highly liquid investments (collective portfolios and money market accounts) easily convertible into a determined amount of cash and subject to insignificant risk of changes in value and maturing within three months from their date of acquisition. The valuation technique used by MINEROS S.A. for this item is market value; these items are classified at level 1 of the fair value hierarchy.

2. **Portfolio investments at fair value:** includes investments to optimize liquidity surpluses. The valuation technique used by MINEROS S.A. for this item is market value; these items are classified at level 1 of the fair value hierarchy.

3. **Derivative instruments:** MINEROS S.A. uses derivative financial instruments, such as forward contracts and options (zero cost collars) to hedge foreign currency risks and commodity price risks. The methodologies used by MINEROS S.A. for valuation of financial derivatives coincide with the methodologies commonly used by market participants. The valuation of forwards consists basically in discounting the future cash flows foreseen in the operation, with market discount rates, in contrast with the value of the underlying asset on the date of evaluation. The valuation of options uses the Black Scholes model, which consists basically of stochastic processes for calculation of premiums for buy and/or sell options. These items are classified at level 2 of the fair value hierarchy.

4. **Investment properties:** property (land or buildings, considered as a whole, in part or both) held by the company in its own name of by financial leasing, to obtain rents, goodwill or both, except for:

- Its use in production or procurement of goods and services, or for administrative matters; or
- Its sale in the ordinary course of business.

MINEROS S.A. uses two techniques for valuation of these items. Within the market focus, the comparative or market method is used; it consists in deducting the price by comparison of transactions, supply and demand, and appraisals of similar or comparable real estate, with adjustments for time, conformation and localization. The items valued with this technique are classified at level 2 of the fair value hierarchy. Within the cost focus, the residual method is applied only to buildings and is based on the determination of updated construction cost minus depreciation for age and degree of conservation. These items are classified at level 2 of the fair value hierarchy.

The following table shows the assets and liabilities of MINEROS S.A. for each level of the fair value hierarchy, measured at fair value on a recurring basis as on December 31, 2014 and 2015, as well as the total value of transfers between level 1 and level 2 which took place during the period:

Measurement of fair value on a recurring basis as on December 31, 2015 – in thousands of Colombian Pesos	LEVEL 1		LEVEL 2		LEVEL 3	TOTAL
	Transfers to Level 2	Level 1	Transfers to Level 1	Level 2		
Assets						
Marketable or designated						
Collective Portfolios	-	$ 9.870	-	$ -	-	$ 9.870
Money Market	-	79.137	-	-	-	79.137
	-	**89.007**	**-**	**-**	**-**	**89.007**
Other investments						
Fixed income securities	-	7.973.700	-	-	-	7.973.700
Variable income securities	-	6.216.763	-	-	-	6.216.763
	-	**14.190.463**	**-**	**-**	**-**	**14.190.463**
Derivatives						
Forwards	-	-	-	5.535.848	-	5.535.848
Investment property						
Barú land plot	-	-	-	5.661.450	-	5.661.450
Biological assets						
Plantations under development	-	-	-	12.759.630	-	12.759.630
Total	**-**	**$ 14.279.470**	**-**	**$ 23.956.928**	**-**	**$ 38.236.398**
		37,35%		**62,65%**		

Measurement of fair value on a recurring basis as on December 31, 2014 – in thousands of Colombian Pesos	LEVEL 1		LEVEL 2		LEVEL 3	TOTAL
	Transfers to Level 2	Level 1	Transfers to Level 1	Level 2		
Assets						
Marketable or designated						
Collective Portfolios	-	$ 1.727.350	-	-	-	$ 1.727.350
Money Market	-	85.355	-	-	-	85.355
	-	**1.812.705**	**-**	**-**	**-**	**1.812.705**
Other investments						
Fixed income securities	-	17.302.669	-	-	-	17.302.669
Variable income securities	-	24.579.555	-	-	-	24.579.555
	-	**41.882.224**	**-**	**-**	**-**	**41.882.224**
Derivatives						
Futures	-	-	-	3.200.728	-	3.200.728
Forwards	-	-	-	(2.423.665)	-	(2.423.665)
Investment property						
Barú land plot	-	-	-	4.148.100	-	4.148.100
Biological assets						
Plantations under development	-	-	-	4.848.255	-	4.848.255
Total	**-**	**$ 43.694.929**	**-**	**$ 9.773.418**	**-**	**$ 53.468.347**
		81,72%		**18,28%**		

40. Transactions and balances between related parties

In conformity with IAS 24 the following is disclosed:

YEAR 2015

Subsidiary	Revenue	Costs/expenses	Amounts receivable	Amounts payable
Operadora Minera S.A.S.	$ 359.328	$ 23.071.262	$ -	$ 1.802.461
Exploradora Minera S.A.S.	60.911	1.963.872	-	129.293
Hemco Nicaragua S.A.	5.792.860	-	1.744.544	-

YEAR 2014

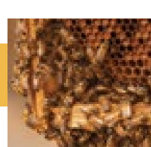
Subsidiary	Revenue	Costs/expenses	Amounts receivable	Amounts payable
Operadora Minera S.A.S.	$ 228.546	$ 16.942.280	$ 68.123	$ 1.942.799
Exploradora Minera S.A.S.	140.626	3.670.691	-	287.924
Hemco Nicaragua S.A.	5.963.496	-	17.979.115	-
Bonanza Holding S.A.	-	-	134.509.180	-

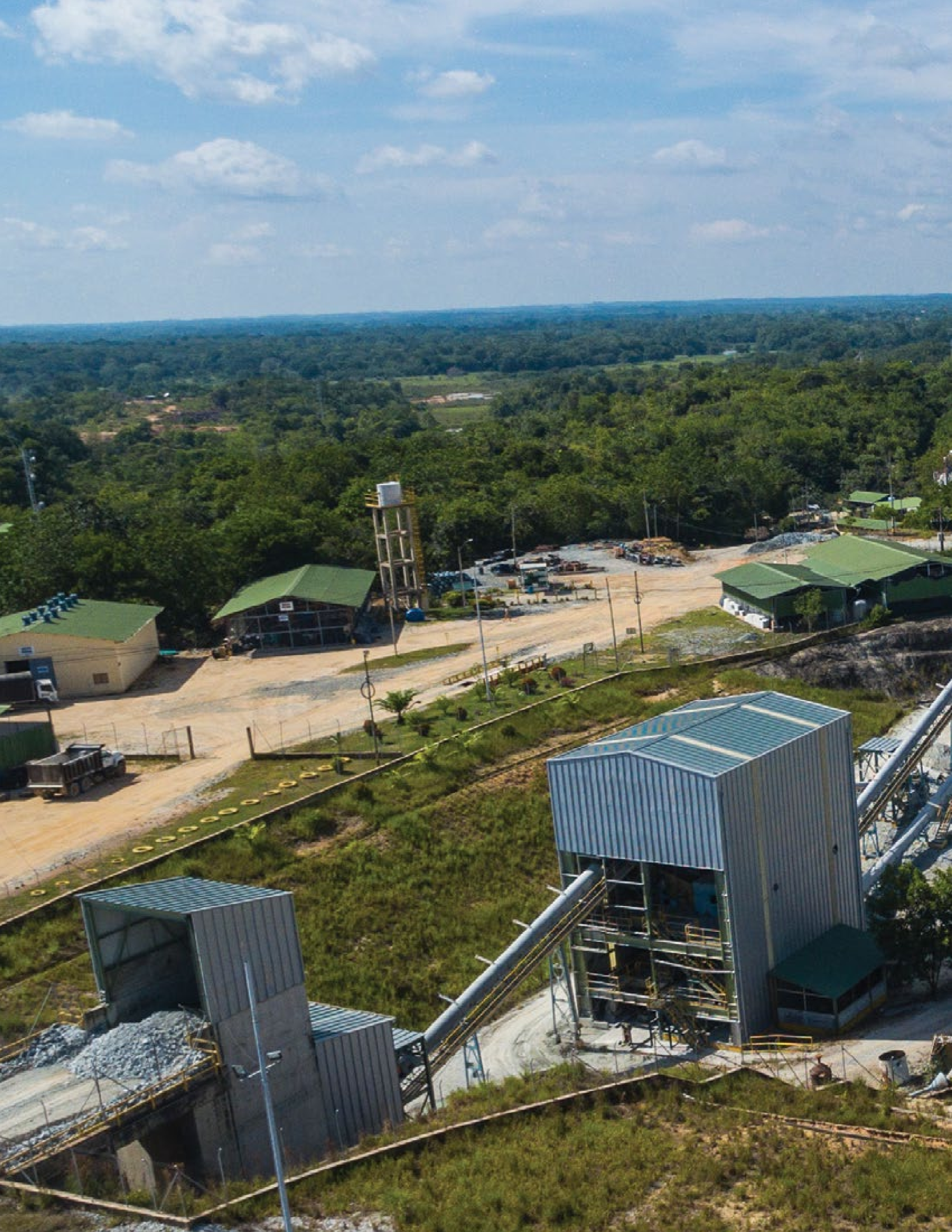
All operations with group companies were conducted under market conditions and no differences existed with respect to the general terms applicable to similar operations carried out with third parties.

Total compensation paid to key executive personnel of GEM (persons with authority and responsibility to plan, direct and control the entity's activities) during 2015 totaled $ 696,594 (2014 $695,720). Fees paid to directors for their attendance to the Board of Directors during 2015 totaled $156,350 (2014 $123,798).

41. Events after the reporting period

As provided in IAS 10, it is informed that by Resolution No. 112412016000032 of February 01, 2016 issued by the National Customs and Tax Administration, the request for correction of the company's tax return of 2013 was approved giving rise to an increased balance in favor for income tax of $3,648,359.





5

CONSOLIDATED FINANCIAL STATEMENT

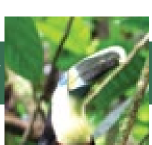
STATUTORY AUDITORS' REPORT

To the shareholders of
MINEROS S.A.:

I have audited the consolidated balance sheets of MINEROS S.A. and its subsidiaries HEMCO S.A., OPERADORA MINERA S.A.S. and EXPLORADORA MINERA S.A.S. which include the consolidated statement of financial position at December 31, 2015 and the consolidated statements of profits or loss and other comprehensive income, of changes in equity and of cash flows for the year ended on such date and, as well as the summary of the main accounting policies and other explanatory notes. The consolidated financial statements at December 31, 2014 and the opening statement of consolidated financial position at January 01, 2014, adjusted to the Accounting and Financial Reporting Standards accepted in Colombia are included for comparative purposes.

The Management is responsible for the preparation and correct presentation of the financial statements in conformity with the Accounting and Financial Reporting Standards accepted in Colombia. Such responsibility includes: designing, implementing and maintaining an internal control system adequate for the preparation and presentation of the financial statements, free from significant errors due to fraud or error, selecting and applying appropriate accounting policies, and establishing the accounting estimates that are reasonable under the circumstances.

My responsibility is to audit said financial statements and express an opinion thereon based on my audit. I obtained the information necessary to comply with my duties and carry out my work in accordance with auditing standards generally accepted in Colombia. Those standards require that I plan and perform the audit to satisfy myself that the financial statements are free from significant errors. An audit of financial statements includes examining, on a test basis, the evidence supporting the amounts and disclosures included in the financial statements. The audit procedures selected depend on the auditor's professional judgment, including an evaluation of the risk of significant errors in the financial statements. In evaluating the risk, the statutory auditor considers the company's internal control relevant for the preparation and reasonable presentation of the consolidated financial statements, in order to design audit procedures appropriate



to the circumstances. An audit also includes evaluating the accounting principles used and the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that my audits provide a reasonable basis for the opinion which I express.

At December 31, 2015, MINEROS S.A. has direct investments in OPERADORA MINERA S.A.S. and EXPLORADORA MINERA S.A.S., companies consolidated under the global integration method which represent, after elimination of reciprocal balances, 0.61% and 0.06% of assets and 0% and 0% of total consolidated revenue, respectively. Such financial statements were audited by other statutory auditors, who expressed unqualified opinions thereon.

In my opinion, the aforementioned consolidated financial statements, present fairly, in every significant aspect, the consolidated financial position of MINEROS S.A. and its subsidiaries at December 31, 2015, the results of their operations and their cash flows for the year then ended, in conformity with the Accounting and Financial Reporting Standards accepted in Colombia.

HAROL ALBERTO MURILLO O.
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.

February 18, 2016

MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014	1/1/14
ASSETS				
Non-current assets				
Property, plant and equipment – net	7	$ 520.103.853	$ 485.832.551	$ 436.088.962
Investment property	8	5.661.450	4.148.100	4.148.100
Intangible assets	9	60.769.440	94.931.314	100.262.659
Goodwill	10	164.899.893	166.250.048	150.078.831
Equity financial instruments	11	2.838.503	2.793.503	2.758.503
Deferred tax asset	12	131.087	100.427	831.552
Trade debtors and other receivables	13	7.976.507	7.435.254	5.912.137
Materials inventory	14	72.363.682	56.208.038	48.028.852
Biological assets	16	12.759.630	8.155.144	4.848.255
Other assets		-	-	985.495
Total non-current assets		**847.504.045**	**825.854.379**	**753.943.346**
Current assets				
Inventories	14	7.675.891	5.897.034	2.463.930
Trade debtors and other receivables	13	33.697.563	25.500.984	20.404.905
Current taxes	15	17.805.697	9.611.019	43.296.625
Marketable financial assets	17	$ 28.580.398	$ 45.813.953	$ 71.879.499
Hedging operations	18	20.593.743	4.486.578	2.640.759
Cash and cash equivalents	19	12.642.669	9.316.155	4.737.311
Total current assets		**120.995.961**	**100.625.723**	**145.423.029**
TOTAL ASSETS		**$ 968.500.006**	**$ 926.480.102**	**$ 899.366.375**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.
(See attached opinion)

MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

LIABILITIES AND EQUITY				
Equity	**Notes**	**12/31/2015**	**12/31/2015**	**01/01/2014**
Share capital	20 a)	$ 158.953	$ 158.953	$ 158.953
Treasury stock	20 a)	(5.611.007)	(5.611.007)	(5.611.007)
Share premium	20 b)	1.551.099	1.551.099	1.551.099
Reserves	21	432.077.485	424.606.219	413.364.974
Other accumulated comprehensive income	22	15.273.055	141.140	-
Other comprehensive income (Opening Statement of Financial Position)	2.1 c)	69.723.197	69.723.197	69.723.197
Accumulated profits (losses)	2.1 c)	(14.026.083)	-	-
Net income for the period		61.383.844	36.917.539	43.474.684
Translation adjustment		16.679.007	21.016.426	3.592.255
Equity attributable to owners of controlling company		**577.209.550**	**548.503.566**	**526.254.155**
Non-controlled interest		**8.152.627**	**15.647.972**	**21.179.754**
Total equity		**585.362.177**	**564.151.538**	**547.433.909**
Non-current liabilities				
Loans and borrowings	23	187.291.515	181.517.118	194.328.822
Employee benefits	24	10.390.111	6.574.531	6.673.720
Deferred tax	12 b)	41.721.007	44.834.077	47.738.538
Provisions	25	7.474.384	4.146.511	3.145.421
Creditors and other payables	27	3.539.928	-	-
Total non-current liabilities		**250.416.945**	**237.072.237**	**251.886.501**
Current liabilities				
Loans and borrowings	23	64.097.789	57.042.411	47.631.948
Hedging operations	26	8.663.284	3.709.514	228.825
Creditors and other payables	27	39.297.466	33.504.169	22.933.199
Other financial liabilities	28	8.893.982	8.794.414	11.954.891
Employee benefits	24	7.648.537	6.242.199	5.383.567
Current tax	29	4.119.826	15.963.620	11.913.535
Total current liabilities		**132.720.884**	**125.256.327**	**100.045.965**
Total liabilities		**383.137.829**	**362.328.564**	**351.932.466**
TOTAL LIABILITIES AND EQUITY		**$ 968.500.006**	**$ 926.480.102**	**$ 899.366.375**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.
(See attached opinion)

MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014
Continuing operations			
Revenue from regular activities	30	$ 583.405.408	$ 463.887.001
Costs of sales and operation	31	(413.899.966)	(335.096.901)
Gross profit or loss		**169.505.442**	**128.790.100**
Other revenue	32	67.066.308	7.408.576
Administration expenses	33	(18.545.628)	(12.563.916)
Other expenses	34	(86.661.568)	(43.856.199)
Financial revenue	35	4.080.626	5.761.835
Financial expenses	36	(38.021.802)	(22.059.111)
Exchange difference - net	37	(16.228.304)	6.166.631
Pre-tax profit or loss for the period		**81.195.074**	**69.647.916**
Current tax	29	(30.241.032)	(33.635.717)
Deferred tax	29	11.004.826	(225.358)
Profit for the year		**61.958.868**	**35.786.841**
Profit attributable to:			
Owners of controlling company		61.383.844	36.917.539
Non-controlling interests		575.024	(1.130.698)
		$ 61.958.868	**$ 35.786.841**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
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Professional Card 32758-T

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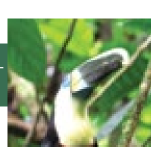
(See attached opinion)



MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Notes	12/31/2015	12/31/2014
NET INCOME FOR THE PERIOD		**$ 61.958.868**	**$ 35.786.841**
Other comprehensive income, net of taxes			
Items not to be subsequently reclassified as income of the period:			
Measurement of defined benefit plans		(72.923)	(105.494)
Revaluation of property, plant and equipment		9.400.854	-
		9.327.931	**(105.494)**
Items that may be subsequently reclassified as income of the period:			
Cash flow hedges		5.945.124	246.634
		5.945.124	**246.634**
Other comprehensive income, net of taxes		**15.273.055**	**141.140**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**77.231.923**	**35.927.981**
Profit attributable to:			
Owners of controlling company		76.656.899	37.058.679
Non-controlling interests		575.024	(1.130.698)
		$ 77.231.923	**$ 35.927.981**
Earnings per share:			
Basic earnings (losses) per share	39	**236.77**	**136.75**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
Professional Card 196770-T
Designated by Deloitte & Touche Ltda.
(See attached opinion)

MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	Share capital (Note 20.a)	Treasury stock (Note 20. a)	Share premium (Note 20. b)	Reserves (Note 21)	Other comprehensive income (opening statement of financial	Equity revaluation	Revaluation surplus	Accumulated profits (losses)	Other comprehensive income (Note 22)	Translation adjustment	Equity attributable to owners of controlling company	Non-controlling interests	Total equity
Balance at January 01, 2014	**$ 158.953**	**$ (5.611.007)**	**$ 1.551.099**	**$ 413.364.974**	**$ -**	**$ 16.912.520**	**$ 93.568.301**	**$ 42.517.547**	**$ -**	**$ 3.592.255**	**$ 566.054.642**	**$ 6.861.577**	**$ 572.916.219**
Adjustments for convergence to IFRS	-	-		-	(40.757.624)		-	957.137		-	(39.800.487)	14.318.177	(25.482.310)
Adjustments for errors in previous GAAP	-	-		-	-	-	-	-	-	-	-	-	-
Reclassifications for convergence to IFRS	-	-		-	110.480.821	(16.912.520)	(93.568.301)	-	-	-	-	-	-
Balance at January 01, 2014 restated	**158.953**	**(5.611.007)**	**1.551.099**	**413.364.974**	**69.723.197**	**-**	**-**	**43.474.684**	**-**	**3.592.255**	**526.254.155**	**21.179.754**	**547.433.909**
Net income for the period	-	-		-	-	-	-	36.917.539	-	- -	36.917.539	(1.130.698)	35.786.841
Other comprehensive income, net of taxes	-	-		-	-	-	-	-	141.140	- -	141.140	-	141.140
Comprehensive income for the period	**-**	**-**	**- -**	**-**	**-**	**-**	**-**	**36.917.539**	**141.140**	**-**	**37.058.679**	**(1.130.698)**	**35.927.981**
Appropriation of reserves	-	-	-	11.241.245	-	-	-	(11.241.245)	-	-	-		-
Payment of dividends	-	-	-	-	-	-	-	(31.402.489)	-	-	(31.402.489)	-	(31.402.489)
Payment of social action gifts	-	-	-	-	-	-	-	(1.000.000)	-	-	(1.000.000)	-	(1.000.000)
Translation adjustment	-	-	-	-	-	-	-	-	-	17.424.171	17.424.171	-	17.424.171
Consolidation adjustments	-	-	-	-	-	-	-	169.050	-	-	169.050	-	169.050
Decrease of non-controlling interest	- 0	- 0	-	-	-	-	-	-	- 0	-	-	(4.401.084)	(4.401.084)
Balance at December 31, 2014	**158.953**	**(5.611.007)**	**1.551.099**	**424.606.219**	**69.723.197**	**-**	**-**	**36.917.539**	**141.140**	**21.016.426**	**548.503.566**	**15.647.972**	**564.151.538**
													-
Balance at January 01, 2015	**158.953**	**(5.611.007)**	**1.551.099**	**424.606.219**	**69.723.197**	**-**	**-**	**36.917.539**	**141.140**	**21.016.426**	**548.503.566**	**15.647.972**	**564.151.538**
Net income for the period	-	-	-	-	-	-	-	61.383.844	-	-	61.383.844	575.024	61.958.868
Other comprehensive income for the period	-	-	-	-	-	-	-	-	15.131.915	-	15.131.915	-	15.131.915
Comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61.383.844**	**15.131.915**	**-**	**76.515.759**	**575.024**	**77.090.783**
Appropriation of reserves	-	-	-	7.471.266	-	-	-	(7.471.266)	-	-	-		-
Payment of dividends	-	-	-	-	-	-	-	(31.402.488)	-	-	(31.402.488)	-	(31.402.488)
Payment of social action gifts	-	-	-	-	-	-	-	(1.000.000)	-	-	(1.000.000)	-	(1.000.000)
Payment of tax on wealth	-	-	-	-	-	-	-	(5.546.080)	-	-	(5.546.080)	-	(5.546.080)
Translation adjustment of affiliate sold	-	-	-	-	-	-	-	-	-	(21.016.426)	(21.016.426)	-	(21.016.426)
Translation adjustment	-	-	-	-	-	-	-	-	-	16.679.007	16.679.007	-	16.679.007
Adjustment of business combination	-	-	-	-	-	-	-	(5.523.788)	-	-	(5.523.788)		(5.523.788)
Decrease of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(8.070.369)	(8.070.369)
													-
Balance at December 31, 2015	**$ 158.953**	**$ (5.611.007)**	**$ 1.551.099**	**$ 432.077.485**	**$ 69.723.197**	**$ -**	**$ -**	**$ 47.357.761**	**$ 15.273.055**	**$ 16.679.007**	**$ 577.209.550**	**$ 8.152.627**	**$ 585.362.177**

Andrés Restrepo Isaza
President

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Chief Accounting Officer
Professional Card 32758-T

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(See attached opinion)

MINEROS S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended December 31, 2015, 2014 and January 01, 2014 (In thousands of Colombian pesos)

	12/31/2015	12/31/2014
Cash flows from operating activities:		
Net income for the period	$ 61.958.868	$ 35.786.841
Depreciation of property, plant and equipment	36.786.599	34.486.872
Impairment of property, plant and equipment	6.252.138	-
Amortization of intangible assets	13.692.296	23.705.266
Write-off of intangible assets	50.770.742	27.642.472
Write-off of biological assets	404.094	-
Gain (loss) on valuation of biological assets	(2.417.572)	-
Provisions for defined post-employment and long-term benefit plans	710.627	-
Provision (net)	3.327.873	1.001.090
Current taxes	30.241.032	33.635.717
Deferred taxes	(11.004.826)	225.358
Variation of hedging operations pending settlement	2.306.302	(622.684)
Other non-cash revenue and expenses	-	169.050
	193.028.173	**156.029.982**
Net changes in operating assets and liabilities:		
Inventories	(17.934.501)	(11.612.290)
Debtors and other receivables	(8.737.832)	(6.619.196)
Other assets	-	985.495
Creditors and other payables	9.432.793	7.410.493
Labor liabilities	4.643.751	759.443
Current taxes	(8.194.678)	33.685.606
Interest paid	(7.526.637)	(11.026.047)
Taxes paid	(42.084.826)	(29.585.632)
Net cash flows from operating activities	**122.626.243**	**140.027.854**
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(69.422.535)	(84.230.461)
Acquisition of intangible assets	(38.812.216)	(44.763.439)
Acquisition of investments in equity financial instruments	(80.000)	(35.000)
Disposal of investments in equity financial instruments	35.000	-
Acquisition of biological assets	(2.591.008)	(3.306.889)
Acquisition of long-term investments	(8.070.369)	(4.401.084)
Disposal of marketable financial assets	17.233.555	26.065.546
Net cash flows used in investing activities	**(101.707.573)**	**(110.671.327)**
Cash flows from financing activities:		
Borrowings (payment) of public and treasury loans - net	20.356.412	7.624.806
Dividends paid	(31.402.488)	(31.402.489)
Gifts	(1.000.000)	(1.000.000)
Tax on wealth paid	(5.546.080)	-
Net cash flows used in financing activities	**(17.592.156)**	**(24.777.683)**
Net increase in cash and cash equivalents	**3.326.514**	**4.578.844**
Cash and cash equivalents at the beginning of the year	9.316.155	4.737.311
Cash and cash equivalents at the end of the year	**$ 12.642.669**	**$ 9.316.155**

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
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Professional Card 32758-T

HAROL ALBERTO MURILLO ORREGO
Statutory Auditor
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Designated by Deloitte & Touche Ltda.
(See attached opinion)

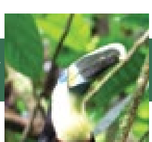
SHAREHOLDERS' MEETING
MARCH 11 OF 2016

Certification of Financial Statements

The undersigned, Legal Representative and Chief Accounting Officer of the company, under whose responsibility the financial statements were prepared, in compliance with the bylaws, hereby declare that they have previously verified the assertions therein contained, which have been faithfully taken from the books.

Andrés Restrepo Isaza
President

HÉCTOR TRESPALACIOS T.
Chief Accounting Officer
Professional Card 32758-T



MINEROS S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS ON DECEMBER 31, 2015, 2014 and JANUARY 01, 2014

(In thousands of Colombian pesos, except where stated otherwise)

GENERAL NOTES

1. Corporate Information

1.1. Entity and corporate purpose of parent company and subsidiaries

MINEROS S.A. and its subsidiaries (Grupo Empresarial Mineros – GEM, the company, the group or MINEROS, indistinctly) make up an integrated economic group engaged in gold exploration and exploitation operating in Colombia and Nicaragua.

The controlling company is MINEROS S.A., a private corporation of Colombian nationality, established on November 14, 1974, with main offices in the city of Medellín and valid until November of 2073. The purpose of the parent company is the conduction of any type of business, activities, endeavors, acts and contracts related to the mining industry in general, of either precious metals, metallic and non-metallic mineral substances or hydrocarbons.

Below is a list of names, main activity, main offices, functional currency and participation percentage held by MINEROS S.A. in each subordinate company.

Corporate Name	Country	Main Activity	Functional Currency	Participation %	
				Dic. 31/2015	Dic.31/2014
HEMCO Nicaragua S.A.	Nicaragua	Underground gold exploitation	USD	95%	5%
Mineros LLC (**)	USA	Investor	USD	0%	100%
Operadora Minera S.A.S.	Colombia	Mining operation services	COP	100%	100%
Exploradora Minera S.A.S.	Colombia	Exploration services	COP	100%	100%
Compañía Minera de Ataco S.A.S. (*)	Colombia	Gold exploration and exploitation	COP	100%	100%

(*) MINEROS S.A. does not consolidate with Compañía Minera de Ataco being in unproductive stage.
(**) During 2015, investment vehicles Mineros LLC and Bonanza Holding S.A. were liquidated.

1.2. Compliance statement

The company, pursuant to regulations issued by Law 1314 of 2009 and Decrees 2784 of 2012 and 3023 of 2013, prepares its financial statements in conformity with the Accounting and Financial Reporting Standards Accepted in Colombia (NCIF, for its Spanish initials), which are based on the International Financial Reporting Standards (IFRS) and their interpretation, translated into Spanish as issued by the International Accounting Standards Board (IASB) as on December 31, 2012.

Additionally, the company, in compliance with laws, decrees and other current regulations applies the following accounting criteria that differ from IFRS standards issued by the IASB:

1.2.1 Law 1739 of December 23, 2014 – Establishes the tax on wealth applicable to possession of wealth (gross equity minus outstanding debt) equal to or higher than $1,000 million in the period between January 01, 2015 to 2017. This law provides that taxpayers may charge this tax against equity reserves without affecting income for the period, both in the separate and the consolidated balance sheets.

1.2.2 External Circular Letter No. 36 of December 12, 2014, of the Colombian Financial Superintendency – Establishes the way in which to treat net positive and negative differences resulting from first-time application of IFRS; it is applicable to entities and securities issuers subject to control by the Superintendency. Adjustments resulting from net positive differences generated by first-time application of IFRS cannot be distributed to absorb losses, carry out capitalization processes, distribute earnings and/or dividends or be recognized as reserves.

1.2.3 Decree 2496 of December 23, 2015 – Provides that for the separate financial statements, investments in subsidiaries shall be accounted for in the parent or controlling company's books under the equity method, as established in Article 35 of Law 222 of 1995.

2. Summary of main accounting policies and practices

The main accounting policies applied in the preparation of the financial statements are detailed below. These policies have been uniformly applied in every year presented unless otherwise indicated.

2.1. Bases of preparation and presentation

For consolidation of financial statements, the group has defined account closing, as well as preparation and disclosing of its general-purpose financial statements, once a year, on December 31. For legal effects in Colombia, the consolidated financial statements are expressed in Colombian Pesos ($), the reporting currency for all effects. The group's consolidated financial statements as on December 31, 2015 are the first financial statements prepared under the International Financial Reporting Standards (hereinafter IFRS) issued by the International Accounting Standards Board (hereinafter IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (hereinafter IFRIC).

Until the year ended on December 31, 2014, the group prepared its yearly consolidated financial statements under the Accounting Principles Generally Accepted in Colombia (Colombian GAAP). The consolidated financial information corresponding to the year ended on December 31, 2014, included in these separate financial statements for comparative purposes, has been modified and is presented under NCIF. The effects of changes of Colombian GAAP applied at December 31, 2014 and January 01, 2014 (transition date) and NCIF are explained in the reconciliations detailed below under letter b).

The group has applied the accounting policies, judgments, estimates and significant accounting assumptions described in Note 4. Likewise, with the exception of HEMCO Nicaragua S.A. that was already applying IFRS, the group has considered the exceptions and exemptions granted in IFRS 1 described below under letter a).

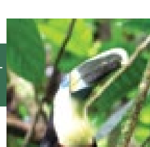
Effect of transition to International Financial Reporting Standards

The first annual financial statements prepared under IFRS correspond to December 31, 2015. Said financial statements were prepared in accordance with the policies described below. For recognition of transition from local accounting standards to IFRS standards (with the exception of HEMCO Nicaragua S.A.) GEM applied IFRS 1 and prepared its opening balance sheet as at January 01, 2014.

a. Policies and standards applied in the transition

For its transition process GEM applied the following optional exceptions included in IFRS 1:

- The group used estimates under IFRS which are consistent with those applied under Accounting Principles Generally Accepted in Colombia.
- Estimates made in the opening and transition balance sheets reflect the conditions existing on the date of each particular financial statement. Particularly, estimates relative to market prices, interest rates or exchange rates reflected market conditions on said dates.



For its transition process GEM applied the following mandatory exemptions included in IFRS 1:

- Attributed cost as cost of property, plant and equipment.
- Recognition as retained earnings of all actuarial gains and losses resulting from the actuarial estimate of retirement pensions defined benefits.

b. Reconciliations between Colombian accounting principles and IFRS

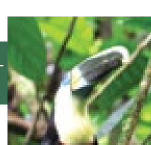
Reconciliations for transition to IFRS as on January 01, 2014 (consolidated opening balance sheet) and December 31, 2014 (consolidated comparative statement of financial position) and for the 2014 period for the consolidated statement of comprehensive income, together with pertinent explanations of each accounting information item, are presented below:

Description		31/12/2014			01/01/2014			Nota
		COLGAAP	Adjustments and reclassifications	IFRS	COLGAAP	Adjustments and reclassifications	IFRS	2.1. c)
ASSETS	Property, plant and equipment – net	$ 277.336.628	$ 208.495.923	$ 485.832.551	$ 216.925.677	$ 219.163.285	$ 436.088.962	1
	Investment property	-	4.148.100	4.148.100	-	4.148.100	4.148.100	2
	Intangible assets	296.303.612	(35.122.250)	261.181.362	288.077.982	(38.091.109)	249.986.873	3
	Investments in subsidiaries	200.000	-	200.000	200.000	-	200.000	
	Equity financial instruments	2.593.503	-	2.593.504	3.689.548	-	3.689.548	
	Deferred tax asset	555.686	(455.259)	100.427	402.831	428.722	831.553	4
	Trade debtors and other receivables	32.451.518	(1.124.007)	31.327.510	26.961.497	(2.136.746)	24.824.751	5
	Materials stock	62.105.072	-	62.105.072	50.492.782	-	50.492.782	
	Biological assets	-	8.155.144	8.155.144	-	4.848.255	4.848.255	6
	Other assets	-	-	-	985.495	-	985.495	
	Current taxes	9.611.019	-	9.611.019	43.296.625	-	43.296.625	
	Marketable financial assets	45.813.953	-	45.813.953	65.381.117	6.498.382	71.879.499	7
	Hedging operations	-	4.486.578	4.486.578	-	2.640.759	2.640.759	8
	Prepaid expenses	2.899.117	(1.290.390)	1.608.727	5.873.168	(5.157.305)	715.863	9
	Cash and cash equivalents	916.576	8.399.579	9.316.155	2.239.173	2.498.138	4.737.311	10
	Revaluations	124.581.385	(124.581.385)	-	93.568.301	(93.568.301)	-	1
Total assets		**$ 855.368.069**	**$ 71.112.033**	**$ 926.480.102**	**$ 798.094.196**	**$ 101.272.180**	**$ 899.366.376**	

CONSOLIDATED FINANCIAL STATEMENT

Description		31/12/2014			01/01/2014			Nota
		COLGAAP	Adjustments and reclassifications	IFRS	COLGAAP	Adjustments and reclassifications	IFRS	2.1. c)
LIABILITIES	Loans and borrowings	$ 137.609.995	$ 100.949.534	$ 238.559.529	$ 153.437.125	$ 88.523.646	$ 241.960.771	11
	Employee benefits	10.669.397	2.147.333	12.816.730	9.032.414	3.024.872	12.057.286	12
	Deferred tax	12.816.673	32.036.367	44.853.040	14.549.358	33.189.180	47.738.538	4
	Provisions	2.382.546	1.763.966	4.146.512	1.791.181	1.354.239	3.145.420	13
	Hedge contracts	-	3.709.514	3.709.514	-	228.825	228.825	11
	Creditors and other payables	33.221.284	282.885	33.504.169	21.720.524	1.212.675	22.933.201	
	Other financial liabilities	8.794.414	-	8.794.414	11.954.891	-	11.954.891	
	Current tax	16.589.295	(644.638)	15.944.657	12.692.483	(778.948)	11.913.535	4
Total liabilities		**$ 222.083.604**	**$ 140.244.961**	**$ 362.328.565**	**$ 225.177.976**	**$ 126.754.489**	**$ 351.932.467**	
Non-controlling interest		3.274.207	12.373.765	15.647.972	6.861.577	14.318.177	21.179.754	
Total equity		**$ 630.010.258**	**$ (81.506.693)**	**$548.503.566**	**$ 566.054.643**	**$ (39.800.486)**	**$ 526.254.155**	

Description		31/12/2014			01/01/2014			Nota
		COLGAAP	Adjustments and reclassifications	IFRS	COLGAAP	Adjustments and reclassifications	IFRS	2.1. c)
EQUITY	Share capital	$ 158.953	-	$ 158.953	$ 158.953	-	$ 158.953	
	Share premium	1.551.099	-	1.551.099	1.551.099	-	1.551.099	
	Equity revaluation	16.912.520	(16.912.520)	-	16.912.520	16.912.520	-	14
	Revaluation surplus	124.581.385	(124.581.385)		93.568.301	93.568.301	-	1
	Surplus from equity method	22.709.108	(1.692.682)	21.016.426	3.592.255	-	3.592.255	
	Treasury stock	(5.611.007)	-	(5.611.007)	(5.611.007)	-	(5.611.007)	
	Reserves	424.606.219	-	424.606.219	413.364.974	-	413.364.974	
	Other accumulated comprehensive income	-	141.140	141.140	-	-	-	15
	Retained earnings	-	69.723.197	69.723.197	-	(69.723.197)	69.723.197	14
	Other participations in equity		-		-	169.050	(169.050)	
	Profit (Loss) for the period	45.101.980	(8.184.441)	36.917.539	42.517.547	(1.126.187)	43.643.734	
Total equity		**$ 630.010.257**	**$ (81.506.691)**	**$ 548.503.566**	**$ 566.054.642**	**$ 39.800.487**	**$ 526.254.155**	



Description	31/12/2014			Nota
	COLGAAP	Adjustments and reclassifications	IFRS	2.1 c)
Revenue from regular activities	$ 463.887.001	$ -	$ 463.887.001	
Cost of service delivery	(320.597.848)	(14.499.053)	(335.096.901)	1, 3 y 12
Gross profit or loss	**143.289.153**	**(14.499.053)**	**128.790.100**	
Other revenue	2.604.440	4.804.136	7.408.576	8
Administration expenses	(14.609.210)	2.045.294	(12.563.916)	1, 3, 13 y12
Other expenses	(47.562.833)	3.706.634	(43.856.199)	11
Financial revenue	6.321.323	(559.488)	5.761.835	
Financial expenses	(16.350.033)	(5.709.078)	(22.059.111)	1 y 5
Exchange difference - net	6.166.631	-	6.166.631	
Pre-tax profit or loss for the period	**79.859.471**	**(10.211.555)**	**69.647.916**	
Deferred tax	(964.346)	738.988	(225.358)	4
Income tax	(33.635.717)	-	(33.635.717)	4
Income or loss for the year after taxes on continuing operations	45.259.408	(9.472.567)	35.786.841	
Non-controlled interest	(157.428)	1.288.126	1.130.698	
Net income or loss for the year	**$ 45.101.980**	**$ (8.184.441)**	**$ 36.917.539**	

Item	COLGAAP	Adjustments and reclassifications	IFRS	Notas 2.1 c)
Cash flows from operating activities:				
Results for the period before taxes and after discontinued operations	$ 45.101.980	$ (9.315.139)	$ 35.786.841	1,3,4,5,8, 11,12 y 13
Depreciation of property, plant and equipment	34.151.725	335.147	34.486.872	1
Amortization of inventory	4.077.418	(4.077.418)	-	2
Amortization of assets	15.654.005	8.051.261	23.705.266	3
Other assets write-offs	13.534.253	14.108.219	27.642.472	3
Retirement pensions	34.311	(34.311)	-	12
Provision (net)	-	1.001.090	1.001.090	13
Current taxes	-	33.635.717	33.635.717	4
Deferred tax	(1.732.685)	1.958.043	225.358	4
Loss in sale of equipment	28.525	(28.525)	-	1
Gain in sale of fixed assets	(33.946)	33.946	-	1
Variation of hedging operations pending settlement	-	(622.684)	(622.684)	8
Effect on consolidation other than results - unrealised income	317.854	(317.854)	-	3
Translation adjustment	(34.432.225)	34.432.225	-	3
Other non-cash revenue and expenses	-	169.050	169.050	
	76.701.215	79.328.767	156.029.982	
Net changes in operating assets and liabilities:		-		
(Increase) Decrease in inventories	(3.433.104)	(8.179.186)	(11.612.290)	2
(Increase) Decrease in debtors and other receivables	28.195.586	(34.814.782)	(6.619.196)	5
(Increase) Decrease in prepaid expenses	2.974.051	(2.974.051)	-	9
Increase (Decrease) in other assets	-	985.495	985.495	
Increase (Decrease) in suppliers	5.580.665	1.829.828	7.410.493	
Increase (Decrease) in payables	5.920.094	(5.920.094)	-	
Increase (Decrease) in taxes, liens and duties	3.896.813	29.788.793	33.685.606	4
Increase (Decrease) in dividends payable	(3.160.477)	3.160.477	-	
Increase (Decrease) in labor liabilities	1.602.672	(843.229)	759.443	12
Estimated liabilities	591.364	(11.617.411)	(11.026.047)	13
Taxes paid		(29.585.632)	(29.585.632)	4
	42.167.664	(58.169.792)	(16.002.128)	
NET FUNDS PROVIDED BY OPERATING ACTIVITIES	**118.868.879**	**21.158.975**	**140.027.854**	
Cash flows from investment activities				
Acquisition of property, plant and equipment, net	(79.401.472)	(4.828.989)	(84.230.461)	1
Acquisition of investments in financial instruments		(35.000)	(35.000)	3
Acquisition of intangible assets	-	(44.763.439)	(44.763.439)	3
Acquisition of biological assets		(3.306.889)	(3.306.889)	6
Acquisition of non-controlled interest	-	(4.401.084)	(4.401.084)	3
Disposal of marketable financial assets	-	26.065.546	26.065.546	7
Acquisition of other assets, net	(8.540.180)	8.540.180	-	
Net funds used in investment activities	**(87.941.652)**	**(22.729.675)**	**(110.671.327)**	
Cash flows from financing activities:				
Decrease (Increase) in financial liabilities	(15.827.130)	15.827.130	-	11
Borrowings (payment) of public and treasury loans - net	-	7.624.806	7.624.806	11
Dividends declared and paid	(31.402.488)	-	(31.402.488)	
Gifts	(1.000.000)	-	(1.000.000)	
Minority interest	(3.587.370)	3.587.370		
Net cash flows originated from financing activities	**(51.816.988)**	**27.039.306**	**(24.777.682)**	
Net changes in cash and cash equivalents	(20.889.761)	(25.468.606)	4.578.844	
Cash and cash equivalents at the beginning of the year	**67.620.290**	**(62.882.979)**	**4.737.311**	
Cash and cash equivalents at the end of the year	**46.730.529**	**(37.414.373)**	**9.316.155**	

c. Explanatory notes

1. The increase in property, plant and equipment is due to: i) recording of fair value of infrastructure leasing contracts entered into for works at Providencia I and III hydroelectric plants and capitalization of interest paid under these contracts; ii) transfer and reclassification as fixed assets of other entries carried under COLGAAP, and iii) estimated value for dismantling of La Ye Mine and its associated tailings. For all other items of property, plant and equipment, GEM chose the attributed cost according to IFRS 1 on the date of transition as on January 01, 2014; additionally, it adjusted their useful lives according to technical criteria.

   The effect of this decision for the attributed cost of property, plant and equipment is shown on the statement of comprehensive income as a $1,002,359 decrease in depreciation and amortization expense for 2014 with respect to local expense.

   For the opening balance sheet GEM hired appraisals with an independent appraising firm (Francisco Ochoa Avalúos S.A.S.) for the main groups of property, plant and equipment described below using the market comparative methodology duly updated and validated on January 01, 2014 by GEM's experts.

   Adjustments to each group of property, plant and equipment in the opening balance sheet for which fair value was used as attributed cost is detailed below:

Item	COLGAAP	Adjustment	Fair value
Land	$ 4.964.788	$ 9.175.272	$ 14.140.060
Constructions and buildings	13.218.914	29.406.437	42.625.351
Machinery and equipment	43.751.238	103.492.302	147.243.540
Transportation fleet and equipment	2.796.108	3.185.383	5.981.491
Aqueducts, plants and networks	33.985.330	(478.878)	33.506.452
Roads	219.271	32.744	252.015
Mines and artesian wells	-	86.449	86.449
Total property, plant and equipment	**$ 98.935.649**	**$ 144.899.709**	**$ 243.835.358**

   For all other groups which form part of property, plant and equipment, fair value was established as attributed cost.

   The decrease in property, plant and equipment resulted from the transfer of amounts to intangibles and to the retirement of fixed assets that do not comply with IAS 16, as defined in the policy for handling fixed assets under IFRS. Additionally, certain fixed assets were derecognized due to deterioration.

2. Corresponds to Barú lot (Cartagena), item transferred from property, plant and equipment in assets to investment property according to IAS 40.

3. The decrease in this item corresponds mainly to: i) transfer to property, plant and equipment of fixed assets held under financial leasing contract; ii) amortization of intangibles and goodwill, and iii) amortization of mining exploration, exploitation and development projects, and software licenses.

4. According to Colombian accounting principles, recognition of deferred tax is done considering the temporary differences between accounting income and fiscal income, only. Under IFRS, the method used is called "liability method" and considers all temporary differences between book and fiscal bases for both assets and liabilities. The largest effect was due mainly to recognition of deferred tax on the temporary difference resulting from using the attributed cost on the transition date.

5. The increase in debtors obeys to reclassification of one item that under COLGAAP was classified as deferred liabilities, and to the reclassification of insurance policies.

   The decrease in the debtors account originates in the decline in interest accrued under COLGAAP on a pensions insurance policy hired by the parent company MINEROS S.A.

6. Corresponds to the rubber plantation item of parent company MINEROS S.A. which was transferred from the other assets account under COLGAAP to the biological assets account under IAS 41.

7. Results from transfer of the investment portfolio amount from the investments account under COLGAAP to the marketable financial assets under IFRS, duly adjusted at market prices.

8. This amount corresponds to recording of hedging operations that under COLGAAP were not included in the accounting information.

9. Corresponds to reclassification under IFRS of insurance policies taken by GEM as prepaid expenses.

10. Corresponds to reclassification of on-demand investments that under COLGAAP were included in investments to cash and cash equivalents under IFRS.

11. The increase in financial liabilities corresponds to recording of infrastructure leasing contracts (uprating and construction of Providencia I and III) as liability and to recording of hedge contracts that were not accounted for under COLGAAP.

12. The increase in employee benefits corresponds to the actuarial valuation made to determine the present value of severance payments of workers covered by the labor law in force before Law 50 of 1990, to readjustment to actuarial valuation of retirement pensions and bonuses and to seniority bonuses carried out under IAS 19 guidelines.

    Retirement pensions previously recorded in the provisions account under COLGAAP were also carried to this item.

13. Corresponds to increase of recording of estimates of labor claims, administrative lawsuits, provision for dismantling of La Ye Mine and other environmental liabilities. The actuarial valuation under COLGAAP was also transferred to the employee benefits account.

14. Corresponds to the net effect of adoption of IFRS in the parent company MINEROS S.A. which includes reclassification of equity revaluation as an increased value of retained earnings.

15. Corresponds to recording of employee benefits and hedge contracts and their corresponding deferred tax.

2.2. Consolidation bases

The consolidated financial statements include the financial information of MINEROS S.A. and its subsidiaries as on December 31, 2015 and corresponding comparative information as on the same date of the immediately preceding year.

The consolidation method used for the preparation of the financial statements is the global integration method which adds to the parent or controlling company's financial statements all the assets, liabilities, equity and results of the subordinate company, after eliminating in the parent or controlling company its investment in the subordinate company's equity, as well as the reciprocal operations and balances existing on the closing date of the consolidated financial statements, as established in IFRS 10 and IAS 27, so that the consolidated financial statements are presented as if belonging to one single economic entity.

The accounting policies and practices are applied homogeneously by the parent company and its subsidiaries, which for the case of the subsidiary located in Nicaragua do not substantially differ from the accounting practices used in that country, given that HEMCO Nicaragua S.A. has been preparing its financial statements under International Financial Reporting Standards (IFRS).

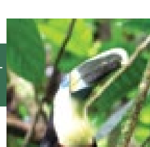
The consolidated financial statements include the financial statements of MINEROS S.A. and the entities controlled by MINEROS. Control exists when the company:

- Has power over an investee;
- Is exposed to, or has rights over, variable returns from its relationship with the investee, and
- Has the ability to use its power over the investee and exercise influence over the amount of returns to the investor.

MINEROS S.A. reevaluates whether it controls an investee if the facts and circumstances indicate there are changes in one or more of the above mentioned controlling elements.

Consolidation of a subsidiary begins when MINEROS S.A. obtains control over the subsidiary and ends when MINEROS S.A. loses control over the subsidiary. Specifically, revenue and expenses of a subsidiary acquired or sold during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date when MINEROS S.A. obtains control until the date when MINEROS S.A. ceases to control the subsidiary.

The profit or loss of each component and other comprehensive income are allocated to the owners of the company and to the non-controlling interests. The total comprehensive income of the subsidiaries is allocated to the owners of MINEROS S.A. and to the non-controlling interests even if the results in the non-controlling interests are negative.



2.2.1. Non-controlling interest

Non-controlling interests in net assets of consolidated subsidiaries are presented separately in the equity of GEM. Income for the period and other comprehensive income are also allocated to the non-controlling and controlling interests.

The group considers transactions with the minority interest as transactions with the shareholders of the company.

2.3. Business combinations

A business combination shall be accounted by applying the acquisition method. The consideration of each acquisition is measured at fair value, which is calculated as the sum of the fair value on the date of acquisition of transferred assets, incurred or assumed liabilities and equity instruments issued by the group in exchange for the control of the acquiree. Costs related to the acquisition are recognized in profit or loss when incurred.

Acquired identifiable assets and assumed liabilities are recognized at fair value on the date of acquisition, except when:

- Assets or liabilities for deferred tax and liabilities or assets related to employee benefits agreements are recognized and measured in accordance with IAS 12 Tax on Earnings and IAS 19, respectively;
- Liabilities or equity instruments related to payment agreements based on shares of the acquiree or payment agreements based on shares of the group entered into in substitution of payment agreements based on shares of the acquiree, are measured in accordance with IFRS 2 on the date of acquisition (See 3.16.2); and
- The assets (or group of assets for disposal) that are classified as held for sale in accordance with IFRS 5 Non-Current Assets held for Sale and Discontinued Operations are measured accordingly.

Goodwill is measured as the excess of the aggregate of the transferred consideration, the amount of any non-controlling interest in the acquiree, and the fair value of the interest in the equity previously held by the acquirer in the acquiree (if any) over the acquisition-date net amounts of the acquired identifiable assets and the assumed liabilities. If after reevaluation, the acquisition-date net amounts of the acquired identifiable assets and the assumed liabilities exceed the aggregate of the transferred consideration, the amount of any non-controlling interest in the acquiree, and the fair value of the interest previously held by the acquirer in the acquiree (if any), the excess is immediately recognized in profit or loss as gain on purchase for value lower than market price.

Non-controlling interests that represent ownership participations and guarantee their holders a proportional share of the entity's net assets in case of liquidation could initially be measured at fair value or at the proportional share of non-controlling interests of the recognized amounts of the acquiree's net identifiable assets. The measurement basis is selected on a transaction by transaction basis. Other types of non-controlling interests are measured at fair value, or when applicable, on the basis specified in other IFRS.

When the consideration transferred by the group in a business combination includes assets or liabilities that result from a contingent consideration agreement, the contingent consideration is measured at acquisition-date fair value and is included as part of the transferred consideration in a business combination. Changes in fair value of the contingent consideration that qualify as adjustments to the measurement period are adjusted retrospectively, with corresponding adjustments against goodwill. Adjustments to the measurement period are adjustments that arise from additional information obtained along the 'measurement period' (which cannot exceed one year from the date of acquisition) on facts and circumstances existing on the acquisition date.

The subsequent recording of changes in fair value of the contingent consideration that do not qualify as adjustments to the measurement period depends on how the contingent consideration is classified. The contingent consideration that is classified as equity is not remeasured on the subsequent reporting dates and its subsequent settlement is accounted for within equity The contingent consideration that is classified as asset or liability is remeasured on its reporting date as established in IAS 39 or IAS 37 Provisions, Contingent Liabilities and Contingent Assets whenever appropriate, and the corresponding gain or loss is recognized in profit or loss.

if the business combination is achieved in stages, the interest of the group in the acquiree is re-measured at its acquisition-date fair value (that is, the date when the group obtained control) and the resulting gain or loss, if any, is recognized in profit or loss. The amounts resulting from the interest in the acquiree prior to the acquisition date that had previously been recognized in other comprehensive income are reclassified to profit or loss, provided such treatment were appropriate in case said interest were sold.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group shall report provisional amounts for items for which accounting is incomplete. During the measurement period, the acquirer shall recognize adjustments to the provisional amounts (see above) or recognize additional assets or liabilities necessary to reflect new information obtained about facts and circumstances that existed as on the acquisition date and which, if known, would have affected the measurement of the amounts recognized as on that date.

2.4. Investments in associates and joint ventures

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without absolute control nor joint control over it.

A joint venture is a type of joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

The results and the assets and liabilities of associates or joint ventures are incorporated into the consolidated financial statements using the equity method, except when the investment, or a portion thereof, is classified as held for sale, in which case, it is accounted for pursuant to IFRS 5. Pursuant to the equity method, investments in associates or joint ventures are initially accounted for in the statement of financial position at cost and are subsequently adjusted to account for the participation of the group in profits or losses and in other comprehensive income of the associate or joint venture. When the group's share of losses of an associate or joint venture exceeds the group's interest in the same (which includes any long-term interest that, in substance, is part of the group's net investment in the associate or joint venture), the group ceases to recognize its participation in future losses. Additional losses are recognized provided the group has entered into any legal or implicit obligation or has made payments on behalf of the associate or joint venture.

Investments in associates and joint ventures are accounted for under the equity method from the date the investee becomes an associate or joint venture. In the acquisition of the investment in the associate or joint venture, any excess of the investment cost over the distribution of net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, and is included in the carrying value of the investment.

Any excess in the distribution of the group of the net fair value of the identifiable assets and liabilities over the investment cost, after revaluation, is accounted for immediately in profit or loss in the period when the investment was acquired.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint venture or when the investment is classified as held for sale.

2.5. Interest in joint operations

A joint operation is a joint arrangement under which the parties with joint control of the arrangement have rights to the assets and obligations for the liabilities related to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

When one of the group's companies begins operations under joint operation, the group as joint operator recognizes the following in relation to its interests in a joint operation:

Its assets, including its share of any asset held jointly;
Its liabilities, including its share of any liability held jointly;
Its revenue from the sale of its share of the result derived from the joint operation;
Its share of revenue from the sale of the result for the joint operation; and
Its expenses, including its share of any expense incurred jointly.

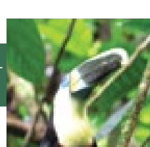
The group accounts for assets, liabilities, revenue and expenses related to its interest in the joint operation according to the IFRS applicable to such particular assets, liabilities, revenue and expenses.

When a group entity carries out transactions with a joint operation in which one group entity is a joint operator (such as a sale or contribution of assets), the group is considered to be carrying out the transaction with the other parties of the joint operation, and the resulting gains and losses are recognized in the consolidated financial statements of the group only by the proportion of the participation of other parties in the joint operation.

When one of the group's entities carries out transactions with a joint operation in which one group entity is a joint operator (such as a purchase of assets), the group does not recognize its share in the gains and losses until such assets are resold to a third party.

2.6. Accrual accounting basis

The company prepares its financial statements, except for cash flows information, on the basis of accrual accounting.



2.7. Relative importance and materiality

Recognition and presentation of economic facts is done according to their relative importance or materiality.

Omissions or inaccuracies are material or have relative importance when they may, individually or as a whole, influence the economic decisions made by users relying on the financial statements. Materiality (or relative importance) depends on the magnitude and nature of the omission or inaccuracy, judged in function of the particular circumstances in which it took place. The entry's magnitude or nature, or a combination of both, could be the determining factor.

2.8. Classification of assets and liabilities as current and non current

Assets and liabilities are classified according to maturity – current, those with maturities equal to or lower than twelve months, and non-current, those with maturities greater than twelve months.

Assets are classified as current when they are primarily held for trading or when they are expected to be realized in a term no longer than one year after the reporting period or when they are cash and cash equivalents not subject to restrictions for their exchange or use in the cancellation of a liability at least one year after the reporting period. All other assets are classified as non-current assets.

Liabilities are classified as current when they are primarily held for trading or when they are expected to be liquidated in a term no longer than one year after the reporting period or when MINEROS does not have an unconditional right to postpone its liquidation for at least one year after the reporting period. All other liabilities are classified as non-current liabilities.

Derivative instruments to which hedge accounting is not applied are classified as current and non-current, or are separated into current and non-current portions based on the evaluation of the facts and circumstances (i.e. underlying contractual cash flows):

- When MINEROS holds a derivative to which hedge accounting is not applied for a period of more than twelve (12) months counted from the reporting date, the derivative is classified as non-current (or is divided into current and non-current portions) so it agrees with the classification of the underlying item.

- Embedded derivatives not closely related to the host contract are classified in a manner that is coherent with the cash flows of the host contract.

- Derivative instruments designated as hedging instruments and which are effective are classified in a manner that is coherent with the classification of the underlying hedged item. The derivative instrument is divided into a current portion and a non-current portion only if such separation can be made in a reliable way.

2.9. Cash and cash equivalents

The group classifies liquid financial assets as cash and cash equivalents, considering as cash equivalents all such investments made as part of the regular management of cash flows surpluses with maturities of less than 90 days and insignificant risk of changes in value.

2.10. Functional currency in the consolidation of financial statements

The functional currency of GEM is the Colombian Peso because it is the currency of the main economic environment where the parent company operates, that is, in which it generates and expends cash.
Transactions in foreign currencies are initially recorded at the exchange rates of the functional currency in force on the date of the transaction. Subsequently, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency in force on the period's closing date; non-monetary items that are measured at fair value are translated at the exchange rates in force on the date when the fair value was determined, and non-monetary items measured at historic cost are translated at the exchange rates in force on the date of the original transactions.

All exchange differences are recognized in the period's income statement under net exchange difference, except for adjustments originated in interest costs that can be capitalized and for exchange differences from loans in foreign currency as long as they are considered adjustments to interest costs.

a. **Functional currency and presentation currency**

MINEROS has determined the Colombian Peso as its functional currency.

The following issues have been considered in order to determine the Colombian Peso as functional currency:

- It is the currency of the main and single economic environment where the parent company carries out its activities.

- It is the currency that primarily influences labor, materials, goods and services costs.

b. Transactions and balances

Entries in foreign currency will be treated as follows: transactions are accounted for based on the market representative exchange rate corresponding to the operation date or the agreed date. At the close of each year the balances of assets and liabilities represented in foreign currency are updated based on the market rate in force on the last day of the period, and a corresponding exchange difference revenue or expense is recognized as contra entry, except when it must be capitalized as part of cost.

The resulting exchange difference of operating assets and liabilities (monetary items operations) is accounted for as operating revenue (expense).

The resulting exchange difference of non-operating or financial assets and liabilities is accounted for as revenue (expense).

2.11 Ordinary revenue

Revenue from ordinary activities is recognized when it is probable that future economic benefits flow into the company and can be measured reliably. The criterion used for recognition of revenue from ordinary activities in MINEROS will be applied separately to each transaction.

Revenue from ordinary activities is measured at fair value of the consideration received or receivable, considering the trade discounts and rebates that the company may grant.

2.11.1 Sale of goods

Revenue from the sale of goods in the course of ordinary activities of MINEROS is measured and recorded in the financial statements provided all of the following conditions are met:

- The company has transferred the significant risks and benefits derived from the ownership of the goods to the buyer; this evaluation will be made considering, among other things, the trading terms established with domestic customers as well as with foreign customers.

- The company does not retain for itself any implication in the current management of the sold goods, in the degree usually associated to ownership, and does not retain effective control over them.

- The amount of revenue from ordinary activities can be measured reliably.

- It is probable that the company will receive the economic benefits associated with the transaction.

- The costs incurred or to be incurred related to the transaction can be measured reliably.

2.11.2 Rendering of services

When the result of a transaction that supposes rendering of services can be estimated reliably, revenue from ordinary activities associated to operations is recognized by reference to the stage of completion of the transaction at the reporting date. The result of a transaction can be estimated reliably provided all of the following conditions are met:

- The amount of revenue from ordinary activities can be measured reliably.

- It is probable that the entity will receive the economic benefits associated with the transaction.

- The degree of culmination of the transaction at the end of the reporting period can be measured reliably.

- Costs incurred in delivering the services, as well as those to be incurred until completion, can be measured reliably.

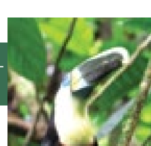
Recognition of revenue from ordinary activities by reference to the degree of termination of a transaction is called the percentage-of-completion method. Under this method, revenue from ordinary activities is recognized in the accounting periods when the rendering of the service takes place. Recognition of revenues from ordinary activities under this method will provide useful information regarding the measurement of the service activity and its execution along a certain period.

The degree of realization of a transaction may be determined through several methods. MINEROS will use methods that measure the executed services more reliably. Among the methods to be used, depending on the nature of the operation, are:

- Inspection of executed works.

- Proportion of executed services to date, as a percentage of total services to be rendered.

- Proportion of costs incurred to date with respect to total estimated operation's cost, calculated in such a way



that only the costs that reflect services already executed are included in the cost incurred to date, and only the costs that reflect services executed or to be executed are included in the estimation of the operation's total costs.

When the result of a transaction that implies rendering of services cannot be reliably estimated, revenue from corresponding ordinary activities will be recognized as such only in the amount of recognized expenses that are considered recoverable.

When there is uncertainty regarding the degree of recoverability of a balance already included in revenue from ordinary activities, the amount that cannot be collected or the amount in respect to which the collection has ceased to be probable shall be recognized as an expense.

2.11.3 Interest, royalties and dividends

Revenue from ordinary activities derived from the use by third parties of assets of the company that yield interest, royalties and dividends will be recognized, provided that:

- It is probable that the entity will receive the economic benefits associated with the transaction.

- The amount of revenue from ordinary activities can be measured reliably.

Revenue from ordinary activities is recognized according to the following bases:

- Interest is recognized using the method of the effective interest rate, which is the interest rate that exactly discounts future payments and cash collections along the expected life of the financial instrument, or a shorter period, correspondingly, with respect to the net carrying value of the financial asset or liability. Interest earned is included as financial revenue in the income statement.

- Royalties are recognized using the accrual basis, according to the substance of the agreement upon which they are based.

- Dividends are recognized when the right to receive them as shareholder is established.

2.11.4 Relationship between agent and principal

In an agency relationship, gross revenue from economic benefits include the amounts received on behalf of the principal. However, only the portion of gross revenue that represents the agent's commission is included in revenue from its ordinary activities.

Determining whether MINEROS acts as principal or as agent depends on several facts and circumstances and requires professional judgment.

According to MINEROS, a company acts as principal when it is exposed to the significant risks and advantages associated to the sale of goods or the rendering of services, while a company acts as agent when it is not exposed to said risks and advantages. Similarly, MINEROS considers that a company acts as agent when the amount of its profit is pre-determined, being either a fixed commission per transaction or an established percentage of the amount invoiced to the customer.

According to the foregoing, GEM will determine in which cases it acts as principal or as agent from the perspective of risks and benefits assumed in the respective contract; if acting as agent, it shall account for revenue on a net basis, and if as principal, on a gross basis.

2.12 Taxes

Includes the amounts of mandatory liens in favor of the State payable by the companies for private tax returns determined on the tax basis of the fiscal period, according to the tax regulations of national and territorial order in force in Colombia and Nicaragua where the companies of Grupo Empresarial Mineros operate.

Indicating that the treatment of deferred tax under IFRS is the same in both countries, a description in general terms of the tax framework in the two countries where GEM operates is presented below.

2.12.1 Tax framework in Colombia

Among the most relevant taxes we detail income tax, income tax for equity (CREE) and tax on wealth.

a. **Income tax**

Current tax

Current assets and liabilities for tax on income for the period are measured by the amounts expected to be recovered from or paid to the fiscal authority. Income tax expense is recognized in current tax according to the refinement made between fiscal income and accounting profit or loss affected by the income tax rate of the current year and as provided by the country's tax regulations. Rates and fiscal regulations used to calculate these amounts are those enacted as on the end of the reporting period, in the country where MINEROS S.A. operates and generates taxable income.

Fiscal profit differs from profit reported in the profit and loss statement of the period because of items of revenue and expense taxable or deductible in other years and items that are neither taxable nor deductible in the future.

Current assets and liabilities for income tax are offset when related to the same fiscal authority and they are intended to be liquidated for the net value or to be simultaneously realized (the asset) and liquidated (the liability).

Deferred tax

Deferred income tax is recognized using the method of liabilities calculated on the temporary differences between the carrying amounts of assets and liabilities and their fiscal bases. Deferred tax liability is recognized generally for all taxable temporary differences, and deferred tax asset is recognized for all deductible temporary differences and for future offsetting of fiscal credits and fiscal losses not used, only to the extent where it is probable that there will be taxable profits available to offset. Deferred taxes are not discounted.

A deferred tax liability or deferred tax asset is not recognized for temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of transaction, affected neither the accounting profit nor the fiscal profit or loss, and in the case of deferred tax liability when it arises from the initial recognition of goodwill.

Deferred tax liabilities related to investments in subsidiaries, associates and interests in joint ventures are not recognized when it is possible to control the reversal of temporary differences and it is probable that such differences will not be reversed in the near future; deferred tax assets related to investments in subsidiaries, associates and interests in joint ventures are recognized only to the extent where it is probable that the temporary differences will revert in the near future and it is probable that there will be future taxable profits available against which such deductible differences will be charged.

The carrying values for deferred tax are reviewed on each presentation date and are reduced to the extent where it is not probable that there is enough tax profit to use the totality or a portion of the deferred tax asset. Deferred tax assets not recognized are reassessed on each presentation date and are recognized to the extent where it is probable that future tax profits will allow their recovery.

Deferred tax assets and liabilities are measured at the fiscal rates expected to be applicable in the period when the asset is realized or the liability is canceled, based on the fiscal rates and regulations that were enacted on the date of presentation, or whose approval procedure is expected to be completed on said date.

Deferred tax assets and liabilities are offset if there is a right thereto legally enforceable and they correspond to the same tax authority.

Current assets and liabilities for income tax are offset when related to the same fiscal authority and they are intended to be liquidated for the net value or to be simultaneously realized (the asset) and liquidated (the liability).

Deferred tax is recognized in profit and loss, except that related to items recognized outside profit and loss; in this case, it shall be presented in other comprehensive income or directly in equity. When current tax or deferred tax arises from the initial accounting for a business combination, the fiscal effect is considered within the accounting for the business combination.

b. Income tax for equity purposes (CREE)

The income tax for equity purposes (CREE) applicable to Colombian companies is the lien contributed by corporations and legal entities and the like who pay income tax and surtax, in benefit of workers, job generation and social investment.

The basis to determine CREE tax cannot be lower than 3% of its net fiscal equity on the last day of the immediately previous taxable period.

The applicable rate for CREE tax is 9% as established in Law No 1739 of December of 2014.

For 2015, 2016, 2017 and 2018, Law No 1739 of December 23, 2014 established a surtax on CREE, payable by its passive subjects that will be applied on taxable bases greater than $800 million at the annual rates of 5%, 6%, 8% and 9%, respectively.

The taxable base of the CREE tax will be established by subtracting returns, rebates and discounts from gross revenues susceptible of increasing equity obtained along the year, and from this result, subtracting what corresponds to revenues not constituting income established in the Fiscal

Law. From the net revenue thus obtained, total costs and deductions applicable to the tax will be subtracted, with exempt income allowed to be subtracted as determined in the law.

c. Tax on wealth

For Colombian companies who are income taxpayers, this tax is incurred by the possession of wealth as on January 01 of 2015, 2016 and 2017. Therefore, taxpayers with gross equity minus debts greater than $1,000 million will determine their tax under the conditions established in the tax regulation.

According to the provisions of Article 6 of Law 1739 of 2014, that supplements Article 297-2 of the fiscal law, tax on wealth will accrue on January 01 of 2015, 2016 and 2017, and it can be charged to equity reserves without affecting profits for the year, as set forth in Article 10 of same law.

2.12.2 Tax framework in Nicaragua

In Nicaragua, HEMCO Nicaragua S.A. is subject to income tax at a rate of 30% of taxable earnings. Payments of value added tax and area fees are considered part of the minimum income tax payment of the period.

In Nicaragua, as provided by Law 822 (Ley de Concertación Tributaria) and its regulations, income tax payable shall be the highest amount between the income tax at 30% rate of taxable income and the minimum payment of 1% of gross revenue.

2.13 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts are to be recovered principally through a sale transaction rather than through continuing use; these assets or groups of assets are presented separately as current assets and liabilities in the consolidated statement of financial position at the lower of their carrying amount and fair value minus sales costs and are not depreciated or amortized once classified as held for sale.

This condition is met if the asset or group of assets is available, in their current conditions, for immediate sale, the sale transaction is highly probable and it is expected to take place in the year following the classification date.

Revenue, costs and expenses from a discontinued operation are presented separate from those from continued operations, in one single entry after income tax, in the statement of income of the current period and the comparative period of the previous year, even when MINEROS retains an interest that does not grant it control in the subsidiary after the sale.

2.14 Biological assets

Biological assets are measured both at the beginning and at the end of the period, at their fair value minus sales costs. Changes in fair value minus sales costs are recognized in profit or loss.

2.15 Property, plant and equipment

Property, plant and equipment are measured at cost, minus accumulated depreciation and minus accumulated impairment losses, if any. Cost includes the acquisition price, and any costs directly attributable to bringing the asset to the location and conditioning necessary for it to be operable in the manner intended by MINEROS; borrowing costs for construction projects that take a substantial period of time to be completed, if the recognition criteria are met, and the present value of the expected costs of dismantling the item are capitalized, if the recognition criteria for a provision are met.

Property under construction for administration, production or rendering of services is carried at cost minus any recognized impairment loss. Cost includes professional fees and, in the case of qualified assets, borrowing costs capitalized according to the accounting policy of MINEROS. These properties are classified under the appropriate categories of property, plant and equipment at the time of culmination and when they are ready for their intended use. Depreciation of these assets, according to the same basis as for other assets in property, begins when the assets are ready for use.

MINEROS capitalizes the additions and improvements made to assets as higher value of assets, as long as they meet any of the following conditions: a) they increase useful life, b) they expand their productive capacity and operating efficiency, and c) they reduce costs for the company. All other repair and maintenance costs are recognized in the statement of income as incurred.

Initial depreciation when the asset is available for use is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Asset	GEM Useful Life
Constructions and buildings	10 – 16 years
Processing plants	10 – 30 years
Machinery and equipment	5 – 21 years
Computer and communications equipment	2 – 5 years
Mining equipment	5 – 10 years
Land transportation equipment	2 – 5 years
River transportation equipment	1 – 10 years
Air transportation equipment	5 years
Aqueducts, plants and networks	2 – 30 years
Roads	5 – 10 years

MINEROS calculates depreciation by components, which implies individual depreciation of the asset components with different useful lives than the asset. Depreciation is done by the straight-line method; residual value is calculated for the assets and is not part of the depreciable amount.
MINEROS chooses the cost model for property, plant and equipment as accounting policy, except for real estate property (land and civil works) that will be treated under the revaluation model.

Depreciation begins from the moment the asset is in usage condition, both for bought assets and for built assets.

The depreciation method is reviewed every year; any change in estimation is accounted for prospectively.

Assets residual values, useful lives and depreciation methods are reviewed and adjusted prospectively at each closing date, if required.

2.16 Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease or as an operating lease. A lease that substantially transfers all risks and benefits incidental to ownership to the lessor is classified as a finance lease, otherwise it is classified as an operating lease.

a. tMINEROS as lessee

Assets received under financial lease are recognized and presented as assets in the financial position statement at the inception of the lease for the fair value of the leased asset or the present value of the lease minimum payments, whichever is lower. The corresponding liability is included in the financial position statement as a financial lease liability.

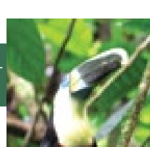
Assets received under financial lease are depreciated along their useful life through the straight-line method. However, if there is no reasonable certainty that MINEROS will obtain ownership by the end of the lease term, the asset is depreciated over the estimated useful life of the asset or the lease term, whichever is lower. Lease payments are apportioned between financial expenses and reduction of the liability. Finance charges are recognized in the statement of comprehensive income unless they can be directly capitalized, in which case, they are capitalized according to the entity's policy for borrowing costs. Contingent lease payments are expensed as incurred.

Operating lease payments, including received incentives, are expensed in the statement of comprehensive income linearly over the lease term, except if there is a more representative basis that adequately reflects the temporary pattern of the lease benefits for the user.

b. MINEROS as lessor

Assets delivered under financial lease are not presented as property, plant and equipment since risks associated to ownership have been transferred to the lessee; a financial asset is instead recognized.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and expensed over the lease term on the same basis as rental income. Revenue from financial leases is distributed during the lease term so as to reflect a constant rate of interest on net investment. Contingent rents are recognized as revenue in the period in which they are earned.



2.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to be ready for its intended use or sale are capitalized as part of the cost of the asset. Revenue received from the temporary investment in loans pending consumption in qualified assets is deducted from the borrowing costs apt for capitalization. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that MINEROS incurs in connection with the borrowing of funds.

2.18 Investment property

Investment properties are those held to obtain rentals and/or capital revaluations (including investment properties under construction for such purposes). Investment properties are measured initially at cost, including transaction expenses. The carrying value includes the cost of replacement or substitution of part of an investment property existing at the time the cost is incurred, provided the recognition criteria are met, and excludes daily maintenance costs of the investment property.

Subsequent to initial recognition, investment properties are carried at fair value reflecting market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the period in which they arise.

Investment properties are derecognized, either upon their disposal or when permanently recalled from use and no future economic benefit is expected. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of income in the period when the asset is derecognized.

Transfers to or from investment property are made only when there is a change in use. In the case of transfer from an investment property to property, plant and equipment, the cost for subsequent accounting is the fair value at the date of change in use. If a property of property plant and equipment becomes an investment property, it will be accounted for at fair value; the difference between fair value and carrying value will be accounted for as revaluation under IAS 16.

2.19. Intangible assets

2.19.1 Intangible assets acquired separately – Intangible assets with defined useful life acquired separately are carried at cost minus any accumulated amortization and accumulated impairment losses. Amortization is recognized based on the straight-line method over their estimated useful life. The estimated useful life and depreciation method are reviewed at the end of the reporting period, and any changes in estimates are recorded prospectively. Intangible assets with indefinite useful life that are acquired separately are carried at cost minus any accumulated impairment losses.

2.19.2 Intangible assets generated internally – research and development expenditures - Expenditures from research activities are expensed in the period in which they are incurred.

Intangible assets generated internally as a consequence of development activities (or of the development stage of an internal project) are recognized only if the following conditions are met:

- It is technically feasible to complete the production of the intangible asset so that the asset will be available for use or sale;
- Its intention to complete the intangible asset for use or sale;
- Its ability to use or sell the intangible asset;
- The way in which the asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- The ability to reliably measure the expenditure attributable to the intangible asset during development.

Intangible assets generated internally are initially recognized at an amount that is the sum of incurred expenditures from the moment the element meets the conditions for recognition established above. When an internally generated intangible asset cannot be recognized, development expenditures are carried to profit or loss in the period when they are incurred.

Subsequent to initial recognition, internally generated intangible assets will be carried at cost minus accumulated amortization and any accumulated impairment losses, on the same basis as separately acquired intangible assets.

2.19.3 Derecognition of intangible assets – Intangible assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of an intangible asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

2.19.4 Impairment of tangible and intangible assets excluding goodwill – At the end of every reporting period, the company assesses the carrying value of its tangible and intangible assets in order to determine whether there is an indication that an asset may be impaired. In such case, the asset's recoverable amount is estimated in order to determine the scope of impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the company calculates the recoverable amount of the cash generating unit to which said asset belongs. When a reasonable and consistent distribution basis is identified, common assets are also assigned to individual cash-generating units, or distributed to the smallest group of cash-generating units for which identification of a reasonable and consistent distribution basis is possible.

Intangible assets with indefinite useful lives or not yet available for use must be tested annually for impairment, or more frequently when there are indications that the carrying value may be impaired.

The recoverable amount is the highest between fair value minus costs of disposal and its value in use. When assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimated future cash flows have not been adjusted.

When the calculated recoverable amount of an asset (or cash-generating unit) is lower than its carrying value, the carrying value of the asset (or cash-generating unit) is reduced to its minimum recoverable amount. Impairment losses are immediately recognized in the statement of profit or loss, except if the asset is carried at a revalued amount, in which case, the impairment loss must be considered as a decrease in revaluation.

When an impairment loss is subsequently reverted, the carrying value of the asset (or cash-generating unit) increases to the revised estimated recoverable amount, in a way such that the increased carrying value does not exceed the carrying value that would have been calculated should an impairment loss had not been recognized for such asset (or cash-generating unit) in previous years. Reversal of an impairment loss is automatically recognized in the statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2.20. Financial instruments

Financial assets and liabilities are recognized in the statement of financial position when MINEROS becomes a party, under the contractual terms of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and liabilities (other than financial assets and liabilities accounted for at fair value with change in income) are added or deducted from the fair value of financial assets and liabilities, when appropriate, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities accounted for at fair value with change in income are recognized immediately in income for the period.

Financial assets

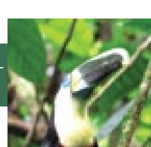
The company classifies its financial assets for subsequent measurement at amortized cost (receivables) or at fair value (investment portfolio) at the moment of recognition, according to the business model chosen to manage financial assets and the contractual characteristics of the instrument's cash flows.

A financial asset is subsequently measured at amortized cost, using an effective interest rate if the asset is held in a business model whose goal is to hold it in order to obtain the contractual cash flows and the contractual terms it grants at specific dates, cash flows which are capital payments and interest on the outstanding capital, only. Without limitation upon the above, MINEROS may irrevocably designate a financial asset as carried at fair value with changes in income.

Impairment of financial instruments

Assets at amortized cost are tested for impairment on the date of the reporting period. When there is objective evidence that a financial asset at amortized cost is impaired, the amount of the loss is measured as the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the original effective interest rate of the investment. Impairment losses are recognized in income for the period.

The group first evaluates whether there exists individual objective evidence of impairment for financial assets, or collectively for financial assets that are not individually significant or when there is no objective evidence of impairment for financial assets evaluated individually. When evaluating impairment collectively, receivables with similar credit risk characteristics are grouped together in order to allow identification of the debtor's payment



capability, according to the receivables' contractual terms of negotiation. MINEROS uses the cascade method to collectively determine impairment losses.

Objective evidence that an asset or group of assets is impaired includes:

a. Significant financial difficulties of the issuer or obligee;

b. Violations of contractual terms such as defaults or delays in payment of interest or principal;

c. The lender has granted concessions or advantages that would have not been obtained under different circumstances;

d. It is probable that the borrower will enter bankruptcy or other type of financial reorganization;

e. The disappearance of an active market for said financial asset.

If in subsequent periods the impairment loss decreases and the decrease can be objectively related to the event that originated the impairment recognition, the previously recognized impairment loss shall be reverted, guaranteeing that the carrying value of the financial asset exceeds the amortized cost that would have been determined had the impairment loss not been accounted for on the reversal date. The amount of the reversal shall be recognized in income for the period.

Financial assets other than at amortized cost are measured subsequently at fair value with any changes recognized in the period's income. When disposing of investments at fair value through other comprehensive income, the accumulated amount of profit or or loss is transferred directly to retained earnings and not reclassified to the period's income. Dividends received from these investments are recognized in the period's income statement.

The category of fair value through results includes investments made to optimize cash surpluses, that is, all proceeds that are not immediately earmarked for the development of activities that make up the corporate purpose. Investment of liquidity surpluses is done following criteria for transparency, safety, liquidity and return, under guidelines for adequate control and under non speculative market conditions.

Classification as debt or equity

Debt and equity instruments are classified as financial liabilities or equity depending on the substance of the contractual agreement and the definitions of financial liability or equity instrument.

Financial liabilities

GEM classifies financial liabilities, at initial recognition, as financial liabilities at amortized cost or at fair value with changes in income.

Financial liabilities at fair value with changes in income include liabilities held for trading, financial liabilities designated upon initial recognition as at fair value with changes in income and derivatives. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Financial liabilities at amortized cost are measured using the effective interest rate. Gains or losses are recognized in the statement of comprehensive income when liabilities are derecognized, and also through the amortization process under the effective interest rate method that is included as financial cost in the comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by MINEROS are contracts that require payment to be made to reimburse the holder for a loss incurred when a specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the highest value between the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognized minus accumulated amortization.

Derecognition of financial assets and liabilities

A financial liability, or part of it, is derecognized in the statement of financial position when it is sold or transferred, or when it expires, or when the group loses control over the contractual rights or over the instrument's cash flows.

If the entity does not substantially transfer nor retain all the risks and advantages inherent to its ownership and continues to retain control over the transferred asset, the entity shall recognize its participation in the asset and associated liability for the amounts it would have to pay. If all the risks and advantages inherent to the ownership of a transferred financial asset are substantially retained, the entity will continue to recognize the financial asset and will also recognize a loan collaterally guaranteeing received revenues.

In case of total derecognition of a financial asset, the difference between the carrying value of the asset and the sum of the consideration received and receivable, as well as the accumulated income that would have been recognized in other comprehensive income and accumulated in equity, is recognized in income for the period. In case of partial derecognition of a financial asset (that is, when the company retains an option for reacquiring a portion of a transferred asset), the entity distributes the previous carrying value of the financial asset between the portion it continues to recognize under continuous participation and the portion that it will no longer recognize on the basis of the relative fair value of said portions on the transfer date. The difference between the carrying value assigned to the portion that will no longer be recognized and the sum of the consideration received from the portion that will no longer be recognized and any accumulated gain or loss assigned that would have been recognized in other comprehensive income, is recognized in income for the period. The accumulated gain or loss that would have been recognized in other comprehensive income is distributed between the portion that continues to be recognized and the portion that will no longer be recognized based on the relative fair values of both portions.

A financial liability or a portion thereof is derecognized in the statement of financial position when the contractual liability has been settled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or when the terms of an existing financial liability are substantially modified, such exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the separate statement of financial position only if there is (i) a currently enforceable legal right to offset the recognized amounts, and (ii) if there is an intention to settle on a net basis, or to simultaneously realize the assets and settle the liabilities.

Financial derivative instruments

The group uses derivative financial instruments, such as forward contracts and options to hedge several financial risks, mainly foreign currency risks and commodity price risks. Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried in the statement of financial position as financial assets when the fair value is positive, and as financial liabilities when the fair value is negative.

The fair value of commodities contracts that meet the definition for a derivative but are entered into according to the purchase requirements expected by the company, are recognized in the statement of comprehensive income as cost of sales.

Any gain or loss arising from the changes in fair value of derivatives is recognized directly in the statement of comprehensive income, except those included under hedge accounting.

Derivatives embedded in host contracts are treated as separate derivatives when they meet the definition of a derivative and when their risks and characteristics are not closely related to such host contracts and the contracts are not measured at fair value with change in results.

Hedge accounting

At the inception of a hedge relationship, GEM formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction and the nature of the risk being hedged.

The group has cash flow hedges through derivatives with gold and US Dollar embedded assets. These transactions are established to mitigate risks arising from the gold market and the exchange market.

Once they meet the strict criteria for hedge accounting, hedges are classified and accounted for, as described below:

- Fair value hedges, when they hedge against changes in fair value of recognized assets and liabilities or unrecognized firm commitments.

  The change in fair value of a hedging instrument is recognized in the statement of comprehensive income as financial cost or revenue. The change in fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying value of the hedged item and is also recognized in the statement of comprehensive income as financial cost or revenue.

For fair value hedges relating to items carried at amortized cost, any adjustment in carrying value is amortized through the statement of comprehensive income over the remaining term of the hedge. Effective interest rate amortization may begin as soon as an adjustment to the carried value of the hedged item exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. Amortization of adjustments in carrying value is based on the effective interest rate recalculated on the date of commencement of amortization. If the hedged item is derecognized, the unamortized fair value is recognized immediately in the income statement.

When an unrecognized firm commitment is designated as a hedged item, the subsequent accumulated change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the statement of comprehensive income.

- Cash flow hedges, when they hedge against changes in cash flows attributable either to a particular risk associated to a recognized asset or liability or to a highly probable foreseen transaction, or to the exchange rate risk in an unrecognized firm commitment.

  The purpose of cash flow hedge accounting is to recognize in other comprehensive income (equity) the variations in fair value of the hedging instrument to apply them to the income accounts when and as the hedged item affects them. Only the ineffective portions of the derivative will be recognized in the income account as they arise.

  The effective portion of the gain or loss due to the hedging instrument's measurement is recognized immediately as other comprehensive income, while the ineffective portion is recognized immediately in the statement of comprehensive income.

  Amounts recognized as other comprehensive income are reclassified to the statement of comprehensive income when the hedged transaction affects income, when the hedged financial revenue or financial expense is recognized or when the foreseen transaction occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as other comprehensive income are reclassified to the initial carrying amount of the non-financial asset or liability. If the foreseen transaction or firm commitment is no longer expected to happen, accumulated gains or losses previously recognized as other comprehensive income are reclassified to the statement of comprehensive income.

  If the hedging instrument expires or is sold, is terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any accumulated gain or loss previously recognized in other comprehensive income remains in other comprehensive income until the foreseen transaction or the firm commitment affects income.

- Hedges of a net investment abroad, when they cover exposure to variations in translation of operations abroad to the presentation currency of the parent company, associated to exchange rate risk.

  The objective of hedges of a net investment in foreign currency is to hedge against eventual exchange rate risks of a parent or intermediate company with operations abroad, on the impact on translation of financial statements from the functional currency to the presentation currency. Hedges of a net investment in foreign currency are hedges to exposure in foreign currency, and not hedges of fair value for changes in the value of the investment.

  Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as other comprehensive income, while any gains or losses relating to the ineffective portion are recognized in the statement of comprehensive income. On disposal of the foreign operation, the accumulated value of any such gains or losses recorded in other comprehensive income is reclassified to the statement of comprehensive income.

Equity instruments

An equity instrument is any contract evidencing a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by MINEROS are recognized for the revenue received minus direct issuance costs.

The company's own equity instruments that are reacquired are recognized at cost and deducted directly from equity. No gain or loss is recognized in income on the purchase, sale, issue or cancellation of the group's own equity instruments.

Classification as debt or equity

Financial liabilities at fair value with changes in income include liabilities held for trading, financial liabilities designated upon initial recognition as at fair value with changes in income and derivatives. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. Upon initial recognition, MINEROS designated financial liabilities as at fair value with changes in results (derivatives).

Financial liabilities at amortized cost are measured using the effective interest rate. Gains or losses are recognized in the statement of comprehensive income when liabilities are derecognized, and also through the amortization process under the effective interest rate method that is included as financial cost in comprehensive income.

2.21 Inventories

Goods acquired with the intention to be sold in the ordinary course of business or to be consumed in the process of rendering of services are classified as inventories.

Inventories for MINEROS S.A. in Colombia correspond only to spare parts, materials and consumables used in the mining operation and are valued at cost or at net realizable value, whichever is lower.

In Nicaragua, apart from inventories of the same type as in Colombia with similar valuation methods, there is gold inventory which is valued at the lowest value between production cost and sales price.

Inventories cost includes costs directly related to procurement and those incurred in providing them with their current condition and location.

2.22 Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. MINEROS estimates the recoverable amount of the asset or the cash-generating unit if any impairment indication exists, or during annual impairment testing (on December 31) for intangible assets with indefinite useful life and those not yet in use.

An asset's recoverable amount is the highest value between an asset's or cash-generating unit's fair value minus sales costs and its value in use, and the recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the asset shall be grouped with a cash-generating unit. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated cash flows, whether of an asset or a cash-generating unit, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the asset's specific risks. In determining fair value minus sales costs, an adequate valuation model is used.

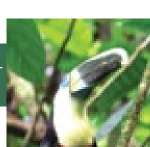
Impairment losses of continuing operations are recognized in the statement of comprehensive income under the expense categories corresponding to the function of the impaired asset. Impairment losses attributable to a cash-generating unit are assigned proportionally to non-current assets of the cash-generating unit, based on each asset's carrying value.

Impairment of goodwill is determined by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Impairment losses relating to goodwill cannot be reversed in future periods.

For assets in general, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount from the moment when the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor does it exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in previous years. Said reversal is recognized in the statement of income.

2.23 Provisions

Provisions are recognized when MINEROS has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. When MINEROS expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain and the amount of the asset can be measured reliably.



Provisions are measured at management's best estimate of the expenditures required to settle the current obligation, at the end of the reporting period, taking into account corresponding risks and uncertainties. When estimated cash flows required to settle the current obligation are used to measure a provision, its carrying value corresponds to the present value of said cash flows, using the discounted cash flows technique. Expenditure corresponding to any provision is presented in the period's income statement net of any reimbursement. The increase in the provision due to the passage of time is recognized as financial expense.

Decommissioning liability

Both in Colombia and in Nicaragua, the group's companies recognize as part of a particular fixed asset cost, provided there is a legal or implicit obligation to decommission or restore, the estimate of future costs expected to be incurred by the company to carry out decommissioning or restoration, and its contra entry is recognized as a provision for decommissioning or restoration costs. The decommissioning cost is depreciated along the estimated useful life of the fixed asset.

Decommissioning costs are recognized at the present value of expected costs to settle the obligation using estimated cash flows. Cash flows are discounted at a current pre-tax rate that is the company's average indebtedness rate.

The estimated future costs of decommissioning or restoration are reviewed annually. Changes in the estimated future costs, in the estimated disbursement dates or in the discount rate applied are added to or deducted from the cost of the asset without exceeding the asset's carrying value; any excess is recognized immediately in the period's income.

Onerous contracts

Grupo Empresarial Mineros recognizes current liabilities derived from an onerous contract as provisions. An onerous contract is a contract where unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from it.

Contingent liabilities

Eventual obligations arising from past events and whose existence shall be confirmed only by the occurrence or non occurrence of one or more uncertain future events not completely under the control of MINEROS, or current obligations arising from past events that require a possible, but not probable, outflow of funds including economic benefits to settle the obligation, or when the amount of the obligation cannot be measured with enough reliability, are not recognized in the statement of financial position but rather are disclosed as contingent liabilities when their occurrence is probable. Contingent liabilities originated in a business combination are recognized at fair value on the date of acquisition; subsequently, they are measured at the highest value between that which should be recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognized, minus accumulated depreciation recognized in accordance with IAS 18 Revenue from Ordinary Activities.

Contingent assets

Assets of eventual nature arising from past events, whose existence is to be confirmed only by the occurrence, or non occurrence, of one or more uncertain future events that are not entirely under the control of the group, are not recognized in the statement of financial position and are recognized as contingent assets when their occurrence is probable. When the contingent fact becomes true, the asset and the associated revenue are recognized in the period's income. Contingent assets acquired in a business combination are measured initially at fair value on the date of acquisition. At the end of subsequent reporting periods, said contingent assets are measured at the highest value between the amount that would have been recognized and the amount initially recognized minus any recognized accumulated amortization.

2.24 Pensions and other post-employment benefits

Defined contribution plans

Contributions to defined contribution plans are recognized as expenses in the period's income statement at the moment when the employee has rendered the service that grants them the right to make the contributions.

Defined benefit plans

Post-employment benefit plans are those where the group has the legal or implicit obligation to answer for benefit payments left under its charge.

For defined benefit plans, the difference between the fair value of the plan's assets and the present value of the plan's liability is recognized as an asset or a liability in the statement of financial position. The cost of offering benefits under the defined benefit plans is determined separately for each plan through the actuarial valuation of the projected credit unit method using actuarial assumptions at the date of the reporting period. The plan's assets are measured at fair value, which is based on market price information, and for quoted securities, is the published purchase price.

Actuarial gains and losses, the return on the plan's assets and the changes of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) are recognized as other comprehensive income. Actuarial gains and losses include effects of changes in actuarial assumptions as well as past experience adjustments.

Net interest on liabilities (assets) for net defined benefits includes revenue from interest for the plan's assets, interest costs for the defined benefit obligation and interest for the effect of the asset ceiling.

Current service costs, past service costs, and any settlement or curtailment of the plan are immediately recognized in the statement of income of the period when they arise.

- The group classifies as short-term benefits to employees those obligations with employees expected to be settled within the twelve months following the closing of the accounting period in which the obligation has accrued or the service has been rendered. Some of these benefits arise from the labor law in force, from collective bargaining agreements or from non-formalized practices that generate implicit obligations.

- The group recognizes short-term benefits in the moment the employee has delivered their services as:

  A liability for the amount that will be retributed to the employee, deducting amounts already paid, and its contra entry as period expenses unless another chapter binds or allows including payments in the cost of an asset or inventory; for example, if the payment corresponds to employees whose services are directly related to construction of a work, these will capitalized to the asset.

  Amounts already paid correspond, for example, to salary advances or per diem advances, among others, which, in case they exceed the corresponding liability, the resulting difference must be recognized by the company as an asset in the prepaid expense account, as long as the prepayment gives rise to a reduction in payments to be made in the future or to a cash reimbursement.

  According to the above, the accounting recognition of short-term benefits is made when the transactions occur, regardless of when they are paid to the employee or to the third parties to whom MINEROS has entrusted the delivery of certain services.

- The group classifies the obligations it expects to settle after the twelve months following the accounting closing date or the period when the employees render the related services, that is, from the thirteenth month onwards, as long-term benefits to employees; they are different from short-term benefits, post-employment benefits and benefits for contract termination.

  The group measures long-term benefits in the same manner as defined post-employment benefit plans; although their measurement is not subject to the same uncertainty degree, the same measurement methodology will be applied as follows:

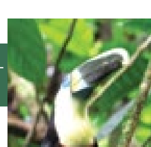
- The company shall measure the surplus or deficit in a long-term employee benefit plan using the method applied to post-employment benefits for estimation of the plan liability as well as its assets.

- The group shall determine the net amount of long-term employee benefits (liability or asset) by finding the deficit or surplus of the obligation and comparing the asset ceiling.

  Benefits received by employees year after year along their working life shall not be considered long-term if at each accounting closing date the company has delivered them in full.

2.25 Fair value

Fair value is the price that would be received when selling an asset or would be paid when transferring a liability in an orderly transaction between market participants at the measurement date, regardless of the price being directly observable or estimated through another valuation technique. When estimating fair value for an asset or liability, MINEROS takes into account the characteristics of the asset or liability if market participants take into account these characteristics when valuing the asset or liability as on the measurement date. The fair value for matters of measurement and/or disclosure in these financial statements is determined on such basis, except for transactions of share-based payments, lease transactions and measurements that have some similarities with fair value but which are not fair value, such as realizable value and value in use. The fair value of all financial assets and liabilities is determined on the date of presentation of financial statements for recognition or disclosure in the notes to the financial statements.



Fair value is determined:

- Based on prices quoted in active markets for assets and liabilities identical to those to which the company can have access to on the measurement date (level 1).
- Based on valuation techniques commonly used by market participants that use inputs different from quoted prices directly or indirectly observable for assets and liabilities (level 2).

- Based on internal valuation techniques of discounted cash flows or other valuation models, using inputs estimated by MINEROS unobservable for the asset or liability, in the absence of inputs observed in the market (level 3).

Note 38, Measurement of Fair Value provides an analysis of fair values of financial instruments and non-financial assets and liabilities and more details about their measurement.

3. Accounting estimates and significant judgments of consolidated financial statements

Estimates and criteria used are continuously assessed and are based on historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable under the circumstances.

The group makes estimates and assumptions with respect to the future. Accounting estimates resulting by definition will very rarely be the same as actual results. Estimates and assumptions that have a significant risk of causing material adjustment to the balances of assets and liabilities in the next year are presented below:

a. Evaluation of the existence of impairment indicators for assets and valuation of assets to determine the existence of impairment losses.

   On each date of presentation of reports, the status of assets is reviewed; impairment indicators are reviewed in order to determine whether there are indications that some of them have suffered an impairment loss. If an impairment loss exists, the recoverable amount of the asset is affected; if the recoverable amount is lower, it is reduced to its fair value and an impairment loss is immediately recognized in results.

   The evaluation of the existence of impairment indicators is based on external and internal factors, and also on quantitative and qualitative factors. Evaluations are based on the financial statements, the legal, social and environmental setting, market conditions, significant changes in the scope or manner in which the asset or cash-generating unit is used or is expected to be used, and evidence about obsolescence or physical deterioration of an asset or cash-generating unit, among others.

b. The useful life and residual values of property, plant and equipment and intangibles.

   In the assumptions and hypotheses used to determine useful lives, technical issues such as the following are considered: periodic maintenance and inspections of assets, failure statistics, environmental conditions and operating environment, protection systems, replacement processes, obsolescence factors, manufacturer's recommendations, climate and geographic conditions, and the experience of technicians knowledgeable of the assets. Issues such as market values, reference magazines and historical sales data are considered in the determination of residual value.

c. The probability of occurrence and amount of uncertain value or contingent liabilities includes the qualification of the legal process by the "expert opinion" of professionals in the areas, the type of contingent liability, possible changes in legislation and the existence of case law applicable to the concrete case, and the study and thorough analysis of the issue.

d. **Income tax**

   Deferred income tax assets and liabilities are recognized for future fiscal consequences attributable to differences between the carrying value of assets and liabilities existing in the consolidated financial statements and their respective tax base. Deferred taxes on assets and liabilities are calculated based on the legal tax rates that will be applied to taxable income during the years when the temporary differences between carrying values and tax base are expected to be recovered.

e. **Deferred taxes**

   Deferred taxes on investment property – In order to determine deferred tax liability and deferred tax asset for investment properties that are measured using fair value mode, management reviewed the portfolio of investment properties and concluded that none of the investment properties of the company is held under a business model whose goal is to substantially consume all the economic benefits generated by the investment property along time but rather through its sale. Therefore, in determining deferred taxes on investment property, management has determined that the assumption that the carrying value of such property measured using the fair value model is fully recovered through the sale has not been challenged.

f. Fair value of financial instruments

Fair value of financial instruments that are not traded in a market is determined using valuation techniques allowed by IFRS that are in line with those established by the Financial Superintendency for Colombia.

g. Benefits for pension plans

The present value of liabilities for pension plans depends on a series of factors that are determined on actuarial bases using a number of assumptions. Assumptions used in determining the net cost for pensions include the discount rate. Any change in these assumptions will have impact on the carrying value of the liability for pension plans.

The group determines the best discount rate at the end of each year. This is the rate that shall be used to calculate the present value of estimated future cash outflows that are foreseen to be required to settle the liabilities for pension plans.

Other key assumptions to establish liabilities for pension plans are based in part on current market conditions. Notes 24 and 25 of provisions present additional information on the subject.

h. Key sources of uncertainty in estimates

Key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

- Recoverability of internally generated intangible assets – During the year management reconsidered the recoverability of internally generated intangible assets that arise from the development of the company's projects; it is included in the statement of financial position as on December 31, 2015 for $60,769,440 (December 31, 2014: $94,931,314).

- Valuation of financial instruments – As mentioned in Note 37, the company uses valuation techniques that include entries not based on observable market data when estimating the reasonable value of certain financial instruments.

- Management believes that valuation techniques and assumptions used are appropriate to determine the fair value of financial instruments.

4. Management of financial risks

Below are the main issues in management of financial risks for all group companies:

4.1. Financial risk management objectives and policiess

The group manages the risks inherent to the operation of the activities within its corporate purpose as well as those derived from the results of investments of cash surpluses and treasury transactions. The group does not make investments, transactions with derivatives and purchase and sale of foreign currencies with speculative purposes.

The company has exposure to market risk, credit risk, liquidity risk, risk of concentration of issuers and operating risk. GEM management supervises the administration of these risks, establishes limits for the different risks and systems for their permanent control in order to obtain the maximum return and safety, strictly complying with regulations in force. The parent company has an interdisciplinary group and has established policies for risk management approved by the Board of Directors and the Financial Committee of GEM. The financial committee guarantees the Chairman that the company's activities regarding financial risks are controlled by adequate policies, indicators and procedures and that the financial risks are identified, valued and managed in accordance with the group's risk policies and objectives. All activities for mitigating and managing financial risks are carried out by internal specialists with adequate abilities, experience and supervision.

4.1.1 Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate due to changes in market prices. Market risk comprises four types of risk: a) exchange rate risk, b) risk of variations in basic metals prices, c) interest rate risk, and d) other price risks, such as the price of a share.

a. Exchange rate risk

Exchange rate risk is the risk derived from fluctuations of the fair value or future cash flows due to variations in the respective representative rate. The company's exposure to this risk derives from the business operation. Cash flows from sales of commodities are denominated in Dollars and derivatives are used to mitigate the risk of fluctuations in the exchange rate. Options and forwards are the usual instruments, as established in the investment policy,

b. Basic metals price risk

The international quote of gold prices has a material impact on the company's operations. The quote of basic metals traded by GEM has fluctuated historically and is affected by exogenous variables (macroeconomic and geopolitical, among others) that are not under the company's control. This risk derives from the business operation and materializes by the exposure to fluctuations in the commodity price as the final product of the operation. Derivatives such as forwards and options are used to mitigate this risk according to market analysis, the investment policy and guidelines of the Board of Directors of MINEROS.

c. Interest rate risk

Exposure to this risk is associated with fluctuations in interest rates of asset and liability positions.

d. Other price risks

This refers basically to risk linked to price movements of a determined financial instrument. Volatility is high if the financial instrument is subject to large price fluctuations in a determined time period. Volatility risk is calculated as the difference between the minimum and maximum prices of the financial instruments for the time period being considered. Risk is represented differently depending on the different types of financial instruments.

4.1.2 Credit risk

The company's credit risk originates from the inability of debtors to meet their obligations, or in the eventual loss arising from default on financial obligations incurred by issuers of financial instruments in which the company has invested.

The company deposits its liquidity surpluses in first-order financial institutions, with minimum ratings of <A- for international investments and not lower than AA/DP1 for national investments. Additionally, it establishes conservative credit policies and constantly evaluates the market conditions in which they act, for which purpose it performs quantitative and qualitative risk assessments for its commercial, investment and credit operations.

Trade receivables are invoiced in US Dollars and mature on the issue date; the amount becomes effective a few days after maturity. All sales are made to customers abroad with good credit ratings.

4.1.3 Liquidity risk

Exposure to liquidity risk exists in investments made by the company and is the potential loss that may arise from the impossibility of carrying out a transaction at market prices due to a low trading frequency of the asset. To mitigate this risk, the specific issue and the type of title should be analyzed with the issuer, and the scale used by stockbrokers to invest in liquid securities and lower risk materialization is followed.

The group's liquidity policy goes in line with working capital flow, complying with payment commitments to suppliers and financial institutions according to established policy. This is supported on the preparation of cash flows and budgets which are reviewed periodically, allowing the necessary treasury position to meet liquidity needs to be determined.

4.1.4 Concentration risk

It is the risk exposure of a portfolio due to its concentrated position in a specific issuer or economic group. To mitigate this risk the company uses the Herfindahl index as an indicator, which measures the concentration risk of the issuer as an economic group. This indicator is measured monthly to adjust to the parameters established in the investment policy.

4.1.5 Operating risk

This risk is minimized by using framework or ISDA contracts, national and international custodians, and by channeling operations through market agents and stockbrokers.

4.2 Management of capital risks

The group's investment policy establishes general principles that guide investments, management of financial instruments and administration of capital. It also establishes limits for the different types of risks and their permanent control systems, so as to obtain maximum return and safety, maximum returns for shareholders, maximum benefits for other stakeholders, and an optimal capital structure to reduce the cost of capital. All this, in strict compliance with regulations in force.

In order to maintain or adjust the capital structure, the indicator is periodically monitored, maintaining the optimal indebtedness level, adjusting amounts paid to shareholders as dividends and applying optimal treasury leverage strategies.

In line with the industry, the company monitors its capital through the leverage ratio. This ratio is calculated by dividing net debt by total capital. Net debt is equal to total indebtedness (current and non-current). Total capital is equal to equity as it appears in the statement of financial position plus net debt.

The leverage ratio for the reporting period is:

	31/12/2015	31/12/2014
Debt (i)	$ 383,137,829	$ 362,328,564
Cash and banks (including cash and banks in a disposal group held for sale)	(12,642,669)	(9,316,155)
Net debt	370,495,160	353,012,409
Equity (ii)	577,209,550	548,503,566
Net debt and equity index	64.19%	64.36%

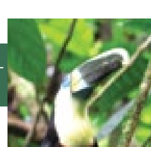
4.3. Estimation of fair value

For financial assets and liabilities that are liquid or have short-term maturities (less than three months) such as cash and cash equivalents, trade and miscellaneous receivables, trade and miscellaneous payables and other current liabilities, carrying value is considered similar to fair value.

Financial derivatives are valued using the discounted flows methodology for forwards and the Black & Sholes model for options.

Fair value of variable-income financial instruments and fixed-income securities is based on their market quotes on the date of the statement of financial position. The quote used for financial assets held by the company is the current offered price.

Carrying values minus impairment of receivables and payables are assumed similar to their fair values. The fair value for disclosure of financial liabilities is estimated by discounting future contractual cash flows at the interest rate in force in the market available for similar financial instruments.



5. Standards issued by IASB but not yet effective

International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) that have an impact or will have an impact on the preparation of financial statements in Colombia are disclosed below:

5.1. Incorporated in Colombia beginning January 01, 2016 - Decree 2615 of 2014 -

According to this decree, beginning January 01, 2016, the following standards will be effective in the regulatory technical framework that contains the standards in force as on December 31, 2013 and their respective amendments issued by the IASB.

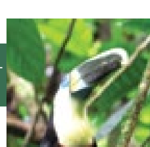
Financial Reporting Standard	Subject of the amendment	Detail
IFRIC 21 - Levies	Interpretation of IAS 37	IFRIC 21 is an interpretation of IAS 37 Provisions, contingent liabilities and contingent assets regarding accounting of levies imposed by a government. IAS 37 establishes criteria for recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an "obligation triggering event"). IFRIC 21 clarifies that the "obligation triggering event" giving rise to an obligation to pay a levy is the activity described in relevant legislation. IFRIC 21 includes guidelines illustrating how it should be applied.
IAS 36 - Impairment of assets	Modifications to the disclosures of the recoverable amount of non-financial assets	Modifications require disclosure of information regarding the recoverable amount of impaired assets when such amount is based on fair value minus disposal costs. They also require disclosure of additional information regarding measurement of fair value. Additionally, when the recoverable amount of impaired assets is measured on the basis of fair value minus disposal costs through a present value technique, the modifications also require disclosure of the discount rates used in current and previous measurements.
IFRS 9 – Financial Instruments	IFRS 9 was issued in November, 2009 as the first stage of a project to replace IAS 39 Financial instruments: Recognition and Measurement.	Sections of IFRS 9 addressing financial liabilities were added in October, 2010. Requirements for account derecognition under IAS 39 were also transferred to IFRS 9.
Annual improvements 2010 - 2012 Cycle	These amendments reflect issues discussed by the IASB that were subsequently included as modifications to the IFRS	• IFRS 2 Share-based payments: Definition of vesting conditions • IFRS 3 Business combinations: Accounting of contingent considerations in a business combination. • IFRS 8 Operating segments: aggregation of operating segments and reconciliation of segment assets to total assets. • IAS 16 Property, plant and equipment / IAS 38 Intangible assets: Revaluation method – proportional method for restatement of accumulated depreciation. • IAS 24 Related Party Disclosures: Key management personnel.
Annual improvements 2011 - 2013 Cycle	The nature of annual improvements is to clarify and correct; they do not propose new principles or changes to existing ones.	• IFRS 1: Meaning of effective IFRS. • IFRS 3: Scope exception for mixed companies and scope of application of paragraph 52 (portfolio exception); and • IAS 40: Clarification of interrelationship of IFRS 3 Business combinations, and IAS 40 Investment properties when classifying property as investment property.

The company anticipates that adoption of the above mentioned standards and interpretations issued by IASB, not yet in force in Colombia, will not have a material impact on the financial statements.

5.2. Incorporated in Colombia beginning January 01, 2017 - Decree 2496 of 2015 -

According to this decree, beginning January 01, 2017, the following standards will be effective in the regulatory technical framework that contains the standards in force as on December 31, 2014 and their respective amendments issued by the IASB, allowing advance application:

Financial Reporting Standard	Subject of the amendment	Detail
IAS 19 - Employee Benefits	Defined Benefit Plans: Employee contributions. These amendments clarify how to account for contributions from employees or third parties enrolled in the services or defined benefit plans considering whether these contributions depend on the employee's number of years of service.	For contributions that are independent of the number of years of service, the entity is allowed to recognize these as a reduction in the service cost in the period in which the service is rendered, or to allocate them to the employee's number of years of service using the contribution formula or the straight-line method, while for contributions that depend on the number of years of service, it is necessary that the entity allocate them to itself. Retrospective application is required. In force for annual periods beginning July 01, 2014 or later.
IAS 32 – Financial Instruments: Presentation	Offsetting of financial assets and liabilities	Amendment to IAS 32 clarifies application of offsetting requirements. It is effective for annual periods beginning January 01, 2014. Retroactive application is recommended.
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosures of Participations in Other Entities IAS 27 – Separate Financial Statements	Offsetting between Financial Assets and Liabilities	Amendments to IFRS 10 include an exception to the consolidation requirement for affiliates of an investment entity. As to the exception, an investment entity is required to measure its participations in affiliates at fair value with changes in results. The exception does not apply to subsidiaries of investment entities that deliver services related to the investment activities of the investment entity. Several criteria must be met in order to qualify as an investment entity. In force for annual periods beginning January 01, 2014 or later.
IAS 1 – Presentation of Financial Statements	Disclosure Initiative. The amendments were an answer to comments regarding difficulties in the application of the materiality concept since when drafting some of the requirements of IAS 1, it had been construed to avoid using judgment.	Some key aspects of the amendments are: • The entity shall not obscure the understandability of its financial statements by hiding substantial information with irrelevant information or by aggregating items that have different natures or functions. • The entity need not disclose specific information required by an IFRS if the resulting information is not material. • In the other comprehensive income section of a statement of income and other comprehensive income, the amendments require separate disclosures for the following elements: - the proportion of other comprehensive income of associates and joint ventures that are accounted for by the equity method that will not be subsequently reclassified to income; and - the proportion of other comprehensive income of associates and joint ventures that are accounted for by the equity method that will be subsequently reclassified to the income statement. Modifications to IAS 1 are effective for annual periods beginning January 01, 2016 with advance application allowed. Application of amendments need not be disclosed.



Financial Reporting Standard	Subject of the amendment	Detail
IAS 16 – Property, Property, Plant and Equipment	Clarification of Acceptable Methods of Depreciation	Entities cannot use revenue-based depreciation methods for items of property, plant and equipment for annual periods beginning January 01, 2016 or later.
IAS 38 – Intangible Assets	Clarification of Acceptable Methods of Amortization	Introduces legal presumptions that assert that revenue is not an appropriate principle for amortization of an intangible asset. This assumption can only be debated in the following two limited circumstances: a) When the intangible asset is expressed as a measure of revenue. For example, an entity could acquire a concession to exploit and extract gold from a mine. The expiration of the contract could take into consideration a fixed amount of total revenue that will be generated from the extraction (for instance, a contract could allow for extraction of gold from the mine until accumulated revenue from sale equals 2 billion credit units) and is not based on the time or amount of gold extracted. Provided the contract specifies a total fixed amount of generated revenue on which amortization will be determined, revenue to be generated could be an adequate basis to amortize the intangible, or b) When it can be proved that revenue and consumption of economic benefits of intangible assets are closely related. Amendments apply prospectively for annual periods beginning January 01, 2016 or later; advance application is allowed.
IAS 16 – Property, Property, Plant and Equipment IAS 41 – Agriculture	Bearer Plants	Bearer plant is defined; additionally, biological assets need to meet this definition to be accounted for as property, plant and equipment according to IAS 16 instead of IAS 41. As to modifications, bearer plants may be measured using the cost model or the revaluation model established in IAS 16. Agricultural produce growing bearer plants will continue to be measured according to IAS 41. In force for annual periods beginning January 01, 2016 or later.
IAS 27 – Separate Financial Statements	Equity Method in Separate Financial Statements	The amendments focus on separate financial statements and allow the equity method to be used in said financial statements. The amendments allow the entity to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements: • at cost, • according to IFRS 9 (or IAS 39 for entities that have not yet adopted IFRS 9), or • using the equity method as described in IAS 28 Investments in associates and joint ventures. The same accounting must be applied to each investment category. The modifications also clarify that when the parent ceases to be an investment entity or becomes an investment entity, this change must be accounted for from the date of change. Modifications are applied retrospectively in annual periods beginning January 01, 2016.

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 10 – Consolidated Financial Statements IFRS 12 – Disclosures of Participations in Other Entities IAS 28 – Investments in Associates and Joint Ventures	Application of Consolidation Exception	The modifications clarify that the exception to preparing consolidated financial statements is available to a controlling entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value according to IFRS 10. Modifications to IAS 28 clarify that the exception to applying the equity method is applicable to an investor in an associate or joint venture if this investor is a subsidiary of an investment entity that measures all of its subsidiaries at fair value. The modifications also clarify that an investment entity's requirement to consolidate a subsidiary that renders services related to previous investment activities applies only to subsidiaries that are not investment entities. On the other hand, the modifications clarify that, when applying the equity method to an associate or joint venture that is an investment entity, an investor may retain the fair value measurements that the associate or joint venture used for its affiliates. Lastly, clarification is also made that an investment entity that measures all of its subsidiaries at fair value must provide the required disclosures per IFRS 12 Disclosure of interests in other entities. Modifications are applied retrospectively for annual periods beginning January 01, 2016 with advance application allowed.
IFRS 10 – Consolidated Financial Statements IAS 28 – Investments in Associates and Joint Ventures	Sale or contribution of assets between an investor and its associate or joint venture	The modifications deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. IAS 28 has been modified to reflect the following: • Gains and losses resulting from transactions relative to assets that do not constitute a business between an investor and its associate or joint venture are recognized to the extent of unrelated investors' interests in the associate or joint venture. • Gains and losses resulting from subsequent transactions relative to assets that constitute a business between an investor and its associate or joint venture are recognized in full in the financial statements of the investor. IFRS 10 has been modified to reflect the following: Gains and losses resulting from the loss of control over a subsidiary that does not contain a business in a transaction with an associate or a joint venture which are accounted for using the equity method, are recognized in the controlling entity's income statement to the extent of the unrelated investors' interests in the associate or joint venture. Similarly, gains and losses resulting from the revaluation of investments accumulated in any prior subsidiary (that has become an associate or joint venture which is accounted for by the equity method) at fair value are recognized in the income statement of the prior controlling entity only to the extent of the unrelated investors' interests in the new associate or joint venture. Modifications are applied prospectively to transactions occurring in annual periods beginning January 01, 2016 with advance application allowed. In meeting of June, 2015, the IASB tentatively decided to postpone the mandatory effective date of these amendments. As on the time of writing, no draft has been issued.
IFRS 11 – Joint Arrangements	Accounting for acquisitions of interests in joint arrangements provides indications as to how to account for the acquisition of an interest in a joint arrangement in which the activities constitute a business as defined by IFRS 3 Business combinations.	Entities are required to apply the modifications prospectively to the acquisitions of interests in joint operations (in which the activities of the joint arrangements constitute a business as defined by IFRS 3) that occur from the start of annual periods beginning January 01, 2016.

Financial Reporting Standard	Subject of the amendment	Detail
IFRS 14 – Regulatory Deferral Accounts	Deferral Accounts of Regulated Activities	IFRS 14 explains recording of regulatory deferral accounts that arise from activities subject to rate-regulation in the balances. The standard is available only to sectors adopting IFRS for the first time and that have recognized the balances of regulatory deferral accounts under previous GAAP. IFRS 14 allows sectors adopting IFRS for the first time to continue with their former accounting policies at regulated rates under GAAP, with limited changes, and requires a separate presentation of the balances of regulatory deferral accounts in the statement of financial position and in the statement of profit or loss and other comprehensive income. The standard also requires disclosures to identify the nature of, and risks associated with, the rate regulation that has given rise to recognition of balances of regulatory deferral accounts. IFRS 14 is effective for the first annual financial statements under IFRS, in annual periods beginning January 01, 2016 or later, with advance application allowed.
IFRS 9 – Financial Instruments	Financial Instruments (reviewed 2014 version)	The replacement project consists of the following phases: • Phase 1: Classification and measurement of financial assets and liabilities. Regarding classification and measurement under IFRS, all recognized financial assets under the scope of IAS 39 will subsequently be measured at amortized cost or fair value. • Phase 2: Impairment methodology. The impairment model according to IFRS 9 reflects expected credit losses as opposed to incurred credit losses under IAS 39. In the scope of impairment under IFRS 9 a credit event is no longer necessary to occur before credit losses are recognized. • Phase 3: Hedge Accounting. The general requirements of hedge accounting under IFRS 9 maintain the three types of mechanisms of hedge accounting included in IAS 39. However, the types of ideal transactions for hedge accounting are much more flexible now, especially, when expanding the types of instruments that are classified as hedge instruments and the types of risk components of non-financial instruments ideal for hedge accounting. Additionally, the effectiveness test has been replaced by the principle of "economic relationship". Retrospective evaluation is no longer needed when measuring the effectiveness of the hedge. Many more disclosure requirements have been added regarding the entity's risk management activities. • In July, 2014, the IASB culminated the reform to financial instruments accounting and issued IFRS 9 Accounting of Financial Instruments (2014 revised version) that will replace IAS 39 Financial Instruments: Recognition and Measurement once the former standard expires. In force for annual periods beginning January 01, 2018 or later.
IFRS 15 – Revenue from Contracts with Customers	Establishes a new extensive and detailed model that will apply to accounting of revenue arising from contracts with customers.	Once in force, it will replace the following revenue standards and interpretations: • IAS 18 Revenue; • IAS 11 Construction Contracts; • IFRIC 13 Customer Loyalty Programs; • IFRIC 15 Agreements for the Construction of Real Estate; • IFRIC 18 Transfers of Assets from Customers and • SIC 31: Barter Transactions Involving Advertising Services. In force for annual periods beginning January 01, 2018 or later.
Annual improvements 2012 - 2014 Cycle	These amendments reflect issues discussed by IASB that were subsequently included as modifications to IFRS	• IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations. Changes in methods for asset disposal • IFRS 7 - Financial Instruments: Disclosures (with modifications resulting from modifications to IFRS 1). - Modifications related to service delivery contracts. - Applicability of IFRS 7 modifications in disclosures of offsetting in condensed interim financial statements. • IAS 19 - Employee Benefits. Discount rate: regional market issues. • IAS 34 Interim Financial Information. Disclosure of information included "elsewhere in the interim financial report".

The company anticipates that adoption of the above mentioned standards and interpretations issued by IASB, not yet in force in Colombia, will not have a material impact on the financial statements.

5.3. Incorporated in Colombia beginning January 01, 2018 – Decree 2496 of 2015 -

This decree allows for advance application, beginning January 01, 2018, of IFRS 15 "Revenue from Contracts with Customers", which establishes a new extensive and detailed model for accounting of revenue arising from contracts with customers. Advanced application is allowed.

SPECIFIC NOTES

6. Consolidation principles

All significant balances and transactions between MINEROS S.A. and its subordinates (with the exception of Compañía Minera de Ataco S.A.S.) were deleted for consolidation effects. Consolidation is done by the global integration method for all companies over which there is control. Minority interests corresponding to equity and the period's results are recognized and presented in the consolidated financial statements.

The following figures were taken from the financial statements of MINEROS S.A. and its subordinates as on December 31, 2015 and 2014 (audited), as provided in Regulatory Decree 2784 of 2012 and in the consolidation currency (Colombian Peso):

	2015				2014			
	Assets	Liabilities	Equity	Income (Loss)	Assets	Liabilities	Equity	Income (Loss)
Foreign Subsidiaries								
HEMCO Nicaragua S.A.	210.441.322	119.160.470	91.280.852	1.659.292	-	-	-	-
Mineros LLC	-	-	-	-	305.862.681	207.666.807	98.195.874	(18.272.256)
Subtotal foreign corporations	**210.441.322**	**119.160.470**	**91.280.852**	**1.659.292**	**305.862.681**	**207.666.807**	**98.195.874**	**(18.272.256)**
Local Subsidiaries								
Exploradora Minera S.A.S.	797.616	178.391	619.225	45.324	892.287	318.386	573.901	108.331
Operadora Minera S.A.S.	7.742.132	2.829.370	4.912.761	738.204	6.997.074	2.804.897	4.192.177	623.944
Compañía Minera de Ataco S.A.S. (*)	223.861	2.079	221.782	4.111	219.148	1.476	217.672	4.624
Subtotal localcorporations	**8.763.609**	**3.009.840**	**5.753.768**	**787.639**	**8.108.509**	**3.524.759**	**4.983.750**	**736.899**
Total	**$219.204.931**	**$122.170.310**	**$97.034.620**	**$2.446.931**	**$313.971.190**	**$210.791.566**	**$103.179.624**	**$(17.535.357)**

7. Property, plant and equipment – net

Below are the details of the carrying value of property, plant and equipment:

Description	31/12/2015	31/12/2014	01/01/2014
Cost	598,142,065	$ 520.832.025	$ 436.088.962
Accumulated depreciation	(78,038,212)	(34.999.474)	-
Total property, plant and equipment	**$ 520.103.853**	**$ 485.832.551**	**$ 436.088.962**

The company has established collateral pledges on local fixed assets owned by HEMCO Nicaragua S.A.:

a. Banco de América Central S.A. (BAC).

- Short-term credit facility up to USD4,500,000 ($14,172,615 thousand, year 2015; $10,766,070 thousand, year 2014): machinery and equipment and transportation equipment for USD3,025,920 ($9,530,044 thousand, year 2015) and USD2,376,500 ($5,685,681 thousand, year 2014).
- Long-term loan for USD6,700,000 ($21,101,449 thousand, year 2015; $16,029,948 thousand, year 2014); machinery and equipment and transportation equipment for USD8,912,032 ($28,068,179 thousand, year 2015; $21,321,680 thousand, year 2014).

b. Caterpillar Finance S.A.

Heavy machinery and transportation equipment for USD1,564,009 ($4,925,799 thousand, year 2015; $3,741,829 thousand, year 2014).

For fixed assets held in Colombia that were adjusted to fair value in 2015, as provided in IFRS 13 and the company's policies, appraisals of land and buildings were made based on the study prepared by the firm Francisco Ochoa Avalúos S.A.S. (registered in the National Appraisers Registry). The increase in assets amounts is shown in equity under "Other Accumulated Comprehensive Income Assets Revaluation".

The fair value of fixed assets held by HEMCO S.A. in Nicaragua -who has been applying IFRS for several years-, represented in civil works and machinery and equipment, was obtained through technical appraisal conducted in 2013 by the firm Centroamericana de Protección Industrial S.A.

Details of the carrying value of property, plant and equipment, net of depreciation are presented below:

Asset type	31/12/2015	31/12/2014	01/01/2014
Land	$ 26.768.084	$ 17.891.600	$ 17.297.391
Constructions and buildings	64.306.997	56.769.141	46.036.625
Roads	376.195	201.612	252.015
Machinery and equipment	200.751.184	195.201.622	171.322.343
Electric plants and networks	39.438.127	28.794.269	33.506.452
Transportation equipment	18.660.690	18.330.951	15.377.172
Computer and communications equipment	22.954	30.605	38.256
Machinery and equipment under leasing contracts (1)	106.597.508	95.876.867	69.765.269
Mines and artesian wells	2.339.503	575.087	534.860
Constructions in progress (2)	3.669.660	15.578.678	11.073.217
Machinery under assembly (3)	57.172.951	56.582.119	70.885.362
Total property, plant and equipment – net	**$ 520.103.853**	**$ 485.832.551**	**$ 436.088.962**

(1) Corresponds to infrastructure leasing contracts Nos. 119709 and 119710 subscribed on December 28, 2010 with Leasing Bancolombia S.A. for expansion of Providencia I and construction of Providencia III hydroelectric generation plants with 144-month terms.

(2) Main constructions in progress are:

Description	31/12/2015	31/12/2014	01/01/2014
Bosques del Alto	$ 111.639	$ 55.483	$ -
Human Resources Offices	-	126.698	-
Mina La Ye Canteen	-	27.919	-
Mina La Ye Workshop	-	243.288	-
Milla de Oro	-	15.043.841	11.073.217
Construction of industrial zone cranes	520.264	81.449	-
Los Mangos Mine access road	540.243	-	-
Improvements to guest house	43.827	-	-
Providencia III additional works	2.453.687	-	-
Total constructions in progress	**$ 3.669.660**	**$ 15.578.678**	**$ 11.073.217**

(3) Details of machinery under assembly:

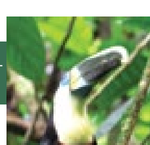
COLOMBIA

Projects	31/12/2015	31/12/2014	01/01/2014
Alluvial terraces plant	$ 4.096.103	$ -	$ 3.764.190
Dredge machinery and equipment	3.844.100	8.071.617	-
Plants and networks	3.119.374	23.916.006	-
Other dredge projects	2.069.666	-	885.534
Mine machinery and equipment	320.036	938.732	-
Other machinery and equipment	61.197	482.687	-
New energy projects	1.441	-	802.249
Providencia III project	-	-	20.200.301
Dredge No. 5 repair	-	-	9.983.420
Green gold project	-	-	2.734.260
La Ye Ciénaga Grande shaft	-	-	2.598.767
Ward drills	-	-	507.792
Processing system improvement	-	-	411.694
La Ye Mine tailings levee	-	-	55.890
Subtotal machinery and equipment under assembly (Colombia)	**$ 13.511.917**	**$ 33.409.042**	**$ 41.944.097**

NICARAGUA

Projects	31/12/2015	31/12/2014	01/01/2014
San José tailing dam	$ 10.886.617	$ 5.096.163	$ 3.014.388
Aguas Claras tailing dam	2.455.118	1.524.635	967.328
Pioneer Exploration Project	-	1.106.329	-
HEMCO Site Optimization	-	3.091.622	17.553.946
Pioneer Exploration Project	2.406.260	-	-
Martha 850 Portal	6.090.817	4.857.920	5.429.653
Guatuza Portal	3.401.103	2.712.787	1.344.576
Level 850 Transport	7.259.398	3.185.769	-
Tailings expansion	492.624	242.523	484.406
Site expansion	4.678.208	1.109.854	103.324
Portal installations	5.951.010	14.543	12.298
Other	39.879	230.932	31.347
Total machinery and equipment under assembly (Nicaragua)	**$ 43.661.034**	**$ 23.173.077**	**$ 28.941.266**

Total machinery and equipment under assembly	**$ 57.172.951**	**$ 56.582.119**	**$ 70.885.363**



Detail of changes in cost of property, plant and equipment is as follows:

PROPERTY, PLANT AND EQUIPMENT

AÑO 2015

Cost	Land	Constructions and buildings	Roads	Machinery and equipment	Electric plants and networks	Transportation equipment	Computer and communications equipment	Machinery and equipment under leasing contracts	Mines and artesian wells	Constructions in progress	Machinery under assembly	Total
Cost as on January 01	$17.891.600	$ 59.938.315	$ 252.015	$ 214.996.272	$ 34.479.551	$ 22.091.255	$ 1.984.991	$ 96.420.521	$ 616.708	$ 15.578.678	$56.582.119	$ 520.832.025
Additions[2]	8.876.484	16.041.042	232.744	27.768.590	24.605.178	5.515.031	-	11.188.498	1.874.890	(11.909.018)	590.832	84.784.271
Disposals (-)	-	(32.825)	-	(370.807)	(6.217.728)	(117.991)	(734.880)	-	-	-	-	(-7.474.231)
Carrying value as on December 31	26.768.084	75.946.532	484.759	242.394.055	52.867.001	27.488.295	1.250.109	107.609.019	2.491.598	3.669.660	57.172.951	598.142.065
Accumulated depreciation and impairment as on January 01	-	(4.671.259)	(50.403)	(19.794.650)	(5.685.282)	(3.760.304)	(452.302)	(543.654)	(41.622)	-	-	(34.999.474)
Depreciation for the period	-	(6.959.081)	(58.161)	(21.848.221)	(1.542.532)	(5.025.419)	(774.853)	(467.857)	(110.475)	-	-	(36.786.599)
Impairment for the period	-	(9.195)	-	-	(6.201.060)	(41.882)	-	-	-	-	-	(6.252.137)
Accumulated depre-ciation and impairment as on December 31	**-**	**(11.639.535)**	**(108.564)**	**(41.642.871)**	**(13.428.874)**	**(8.827.605)**	**(1.227.155)**	**(1.011.511)**	**(152.095)**	**-**	**-**	**(78.038.212)**
Property, plant and equipment as on December 31	**$ 26.768.084**	**$ 64.306.997**	**$ 376.195**	**$200.751.184**	**$ 39.438.127**	**$ 18.660.690**	**$ 22.954**	**$ 106.597.508**	**$ 2.339.503**	**$ 3.669.660**	**$ 57.172.951**	**$ 520.103.853**

AÑO 2014

Cost	Land	Constructions and buildings	Roads	Machinery and equipment	Electric plants and networks	Transportation equipment	Computer and communications equipment	Machinery and equipment under leasing contracts	Mines and artesian wells	Constructions in progress	Machinery under assembly	Total
Cost as on January 01	$ 17.297.391	$ 46.036.625	$ 252.015	$ 171.322.343	$ 33.506.452	$ 15.377.172	$ 38.256	$ 69.765.269	$ 534.860	$ 11.073.217	$ 70.885.362	$ 436.088.962
Additions[2]	594.209	15.403.774	-	43.673.929	973.099	6.714.083	444.651	26.655.252	81.848	4.505.461	(14.303.243)	84.743.063
Carrying value as on December 31	17.891.600	61.440.400	252.015	214.996.272	34.479.551	22.091.255	482.907	96.420.521	616.708	15.578.678	56.582.119	520.832.025
Accumulated depreciation and impairment as on January 01	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the period	-	(4.671.259)	(50.403)	(19.794.650)	(5.685.282)	(3.760.304)	(452.302)	(543.654)	(41.621)	-	-	(34.999.474)
Accumulated depre-ciation and impairment as on December 31	**-**	**(4.671.259)**	**(50.403)**	**(19.794.650)**	**(5.685.282)**	**(3.760.304)**	**(452.302)**	**(543.654)**	**(41.620)**	**-**	**-**	**(34.999.474)**
Property, plant and equipment as on December 31	**$ 17.891.600**	**$ 56.769.141**	**$ 201.612**	**$ 195.201.622**	**$ 28.794.269**	**$ 18.330.951**	**$ 30.605**	**$ 95.876.867**	**$ 575.087**	**$ 15.578.678**	**$ 56.582.119**	**$ 485.832.551**

GEM adopted the following useful lives in the calculation of depreciation of property, plant and equipment:

MINEROS S.A.

Asset type	Useful life			
	Mina La Ye	El Bagre	Providencia	Medellín
Constructions and buildings	5 years	17 years	30 years	17 years
Machinery and equipment	2 to 5 years	1 to 17 years	3 to 21 years	N/A
Computer and communications equipment	5 years	5 years	5 years	5 years
Land transportation equipment	2 to 5 years	3 to 5 years	3 years	4 to 5 years
River transportation equipment	N/A	1 to 10 years	N/A	N/A
Air transportation equipment	N/A	5 years	N/A	N/A
Aqueducts, plants and networks	5 years	4 to 15 years	2 to 30 years	N/A
Roads	N/A	5 to 10 years	N/A	N/A

OPERADORA MINERA S.A.S.

Tipo de Activo	Vida útil (Zaragoza)
Maquinaria y equipo	4 años

HEMCO NICARAGUA S.A.

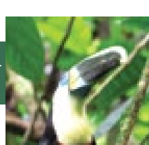
Asset type	Useful life			
	Bonanza	Managua	Rosita	Vesmisa
Constructions and buildings	14 years	14 years	14 years	14 years
Machinery and equipment	14 years	14 years	14 years	14 years
Computer and communications equipment	2 to 3 years	2 to 3 years	2 to 3 years	2 to 3 years
Land transportation equipment	5 to 10 years	5 to 10 years	5 to 10 years	5 to 10 years
River transportation equipment	N/A	N/A	N/A	N/A
Air transportation equipment	N/A	N/A	N/A	N/A
Aqueducts, plants and networks	N/A	N/A	N/A	N/A
Roads	N/A	N/A	N/A	N/A

8. Investment property

Composition and changes in investment property are detailed below:

Type of investment property	31/12/2015	31/12/2014	01/01/2014
Land (Barú island-Cartagena plot)	$ 5.661.450	$ 4.148.100	$ 4.148.100
Total investment property	**$ 5.661.450**	**$ 4.148.100**	**$ 4.148.100**

The fair value of investment property was obtained through technical appraisal conducted by the firm Francisco Ochoa Avalúos S.A.S., who used the market value comparative method. The increase in fair value as on December 31, 2015 with respect to the immediately previous year is the result of the preparation of a new appraisal in 2015 for $1,513,350.



9. Intangible assets

Detailed carrying values of intangibles:

Description	31/12/2015	31/12/2014	01/01/2014
Intangible Assets Cost (1)	$ 64.036.609	$ 95.692.371	$ 100.262.659
Cost	**64.036.609**	**95.692.371**	**100.262.659**
Minus: Accumulated amortization (1)	(3.267.169)	(761.057)	-
Accumulated amortization	(3.267.169)	(761.057)	-
Total	**$ 60.769.440**	**$ 94.931.314**	**$ 100.262.659**

Details of intangibles cost:

Type of intangible	31/12/2015	31/12/2014	01/01/2014
Patents obtained	$ 1.651	$ 1.651	$ 1.651
IT modernization projects	10.049.539	12.035.922	6.032.435
Exploration and evaluation projects (i)	40.985.439	68.775.235	73.283.889
Exploration and development projects (ii)	9.732.811	14.118.506	20.944.684
Total intangibles	**$ 60.769.440**	**$ 94.931.314**	**$ 100.262.659**

(1) Details of exploration and evaluation projects:

Description	31/12/2015	31/12/2014	01/01/2014
El Catorce Project	$ 15.045.105	$ 14.443.478	$ 13.986.007
Santa Elena Project	14.776.406	14.407.552	12.845.501
Nicaragua Exploration Project	11.163.928	-	159.398
Nechí Project	-	9.303.748	12.416.970
Remedios Project	-	4.090.554	3.886.259
Tolima Project	-	-	5.029.128
Amalfi Project	-	5.860.718	5.506.260
Ataco Project	-	883.322	-
El Bagre District Project	-	14.068.308	14.062.943
Pácora Project	-	5.519.101	5.336.232
Nechí Pre-feasibility Project	-	193.552	55.191
Mater. Processing Feasibility Project Nechí	-	4.902	-
Total exploration and evaluation projects	**$ 40.985.439**	**$ 68.775.235**	**$ 73.283.889**

Regarding recognition of assets for exploration and evaluation and their corresponding amortization, the company has adopted the following policies as provided in IFRS 6 (Exploration and evaluation of mineral resources), including the periodic evaluation of the technical and economical feasibility of the respective project:

a. Cost of projects that are under prospection (stages I and II), that is, cost of studies and geological characterization in a determined zone with geological indications of an economically exploitable gold deposit are directly carried to expense.

b. Between stage III and V, all expenses incurred during exploration projects shall be capitalized or carried to expense, depending on the parameters defined by the company's management.

c. In stage VI (pre-feasibility) the decision is made as to whether the project moves on to the exploitation stage, accumulated expenditure is carried to income or it is sold to a third party. When the exploration division determines that no future value is expected from the project, accumulated exploration costs are carried to income for the period.

d. Any obligation incurred for decommissioning and restoration as a consequence of having conducted exploration and evaluation activities is recognized.

e. Exploration costs of a project that reaches stage VI and will be economically exploited will be amortized in accordance with the project's length, beginning when commercial exploitation of precious metals begins.

(2) List of exploitation projects:

Description	31/12/2015	31/12/2014	01/01/2014
Cordero Project	$ -	$ -	$ 2.560.484
Exploitation improvements for alluvial operation	-	60.000	-
La Ye Mine exploration and assembly expenses	4.023.900	5.812.302	7.600.703
Los Mangos Mine	1.651.355	2.385.290	3.119.225
Icacales Mine	4.057.556	5.860.914	7.664.272
Total exploitation and development projects	**$ 9.732.811**	**$ 14.118.506**	**$ 20.944.684**

Details of useful life of exploitation projects:

Description	Useful Life
Mejoras para explotación operación aluvial	1 year
Gastos de exploración Mina La Ye	4 years and three months
Mina Los Mangos	4 years and three months
Mina Icacales	4 years and three months

Detail of changes in cost and amortization of intangibles is as follows:

YEAR 2015

Description	Exploration projects	Exploitation and development projects	Software and applications	Other intangible assets	Total
Cost as on January 01	**$ 68,775,235**	**$ 14,118,506**	**$ 12,796,979**	**$ 1,651**	**$ 95,692,371**
Additions	18,568,324	-	546,656	-	19,114,980
Carrying value as on December 31	**$ 87,343,559**	**$ 14,118,506**	**$ 13,343,635**	**$ 1,651**	**$ 114,807,351**
Impairment	(46,358,120)	(4,385,695)	(26,927)	-	(50,770,742)
Cost after impairment as on December 31	**$ 40,985,439**	**$ 9,732,811**	**$ 13,316,708**	**$ 1,651**	**$ 64,036,609**
Accumulated amortization and impairment					
Accumulated amortization and impairment as on January 01	**-**	**-**	**(761,057)**	**-**	**(761,057)**
Amortization for the period	-	-	(2,506,112)	-	(2,506,112)
Accumulated amortization as on December 31	**-**	**-**	**(3,267,169)**	**-**	**(3,267,169)**
Intangible assets as on December 31	**40,985,439**	**9,732,811**	**10,049,539**	**1,651**	**60,769,440**
Total as on December 31, 2015					**$ 60,769,440**

YEAR 2014					
Description	Exploration projects	Exploitation and development projects	Software and applications	Other intangible assets	Total
Cost as on January 01	**$ 73.283.889**	**$ 20.944.684**	**$ 6.032.435**	**$ 1.651**	**$ 100.262.659**
Additions	15.970.490	337.150	6.764.544	-	23.072.184
Carrying value as on December 31	**89.254.379**	**21.281.834**	**12.796.979**	**1.651**	**123.334.843**
Impairment	(20.479.144)	(7.163.328)	-	-	(27.642.472)
Cost after impairment as on December 31	**68.775.235**	**14.118.506**	**12.796.979**	**1.651**	**95.692.371**
Accumulated amortization and impairment as on January 01	**-**	**-**	**-**	**-**	**-**
Amortization for the period	-	-	(761.057)	-	(761.057)
Accumulated amortization as on December 31	**-**	**-**	**(761.057)**	**-**	**(761.057)**
Intangible assets as on December 31	**68.775.235**	**14.118.506**	**12.035.922**	**1.651**	**94.931.314**
Total as on December 31, 2014					**$ 94.931.314**

10. Goodwill

The detailed carrying value of goodwill and intangible assets acquired through business combinations is presented below:

Description	31/12/2015	31/12/2014	01/01/2014
Goodwill			
HEMCO Nicaragua S.A. (1)	$ 4,032,235	$ 3,825,543	$ 3,081,001
Minerales Matusalén S.A. (Nicaragua) (2)	4,261,055	3,252,118	2,679,217
Subtotal goodwill	**8,293,290**	**7,077,661**	**5,760,218**
Intangible assets acquired through business combinations			
Cost			
Mineros LLC mining reserves (1)	-	194,210,334	156,412,352
HEMCO mining reserves (1)	167,792,789	-	-
Cost	**167,792,789**	**194,210,334**	**156,412,352**
Accumulated amortization			
Mineros LLC mining reserves accumulated amortization (1)	-	(35,037,947)	(12,093,739)
HEMCO mining reserves accumulated amortization (1)	(11,186,186)	-	-
Accumulated amortization	**(11,186,186)**	**(35,037,947)**	**(12,093,739)**
Subtotal intangible assets acquired through business combinations	**156,606,603**	**159,172,387**	**144,318,613**
Total	**$ 164,899,893**	**$ 166,250,048**	**$ 150,078,831**

(1) (1) Business combinations – HEMCO Nicaragua S.A.

Details of business combinations carried out by Grupo Empresarial Mineros:

Year	Entity	Activity	Date of transaction	Interest acquired
2014	Hemco Nicaragua S.A.	Its corporate purpose is mining activities in general, with exploration and exploitation of deposits of mineral substances and their extraction, refining, transport, trading and export.	March 22, 2013	90%

On March 22, 2013, Grupo Empresarial Mineros, through Bonanza Holding S.A., acquired 90% of shares in HEMCO Nicaragua S.A. and its consequent control.

This acquisition was made through the investment vehicle Mineros LLC, a company that holds 99.99% shareholding of the Nicaraguan corporation Bonanza Holding S.A. (acquirer)

HEMCO Nicaragua was established by Public Deed No. 18 of the city of Managua, Republic of Nicaragua, dated March 23, 1994 and was filed with the mercantile public register of Managua as a trader under No. 20143. Its corporate purpose is mining activities in general, with exploration and exploitation of deposits of mineral substances and their extraction, refining, transport, trading and export. The company conducts an underground gold exploitation operation in the municipality of Bonanza, North Atlantic Autonomous Region, Nicaragua.

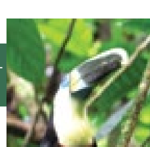
Grupo Empresarial Mineros acquired HEMCO Nicaragua mainly looking to develop mineral exploration and exploitation businesses at the international level.

Grupo Empresarial Mineros obtained control upon subscription of a purchase and sale contract. The contract provides for acquisition of 90% of shares of HEMCO Nicaragua for a consideration of USD95,366 thousand.

According to the adopted policy, amortization of goodwill resulting from the investment made in HEMCO Nicaragua S.A. takes into consideration the company's useful life (9.7 years); this useful life was estimated at five years as on 2014.

Below is the detail of reasonable values of net assets acquired as on March 22, 2013:

Item	Mar-13 USD thousand	Adjustment to fair value	Mar-13 USD thousand
Assets			
Cash and cash equivalents	1.830	-	1.830
Receivables	4.075	-	4.075
Inventories	8.153	-	8.153
Property, plant and equipment	30.655	1.426	29.229
Deferred tax	153	-	153
Total assets	**44.866**	**-**	**43.440**
Liabilities			**-**
Loans	8.883	-	8.883
Payables	4.466	-	4.466
Tax payable	2.429	-	2.429
Accumulated expenses	3.186	-	3.186
Labor liabilities	1.466	-	1.466
Total liabilities	**20.430**	**-**	**20.430**
Total equity	**24.436**	**-**	**23.010**



Goodwill is determined as follows:

Item	USD thousand
Intangible – mining reserves	81.176
Net assets at fair value	23.010
Acquired identifiable net assets	104.186
Fair value of non-controlling interest	(10.419)
Consideration transferred by MINEROS	(95.366)
Goodwill	1.599

The determination of goodwill from the acquisition of share control in 2013 of HEMCO Nicaragua S.A. was made according to the Purchase Price Allocation (PPA) study based on financial information as on March of 2013, date of purchase of the subsidiary. PPA is a process for distributing the cost of an acquired entity to the acquired assets and liabilities assumed at fair value; any residual amount is assigned to goodwill. This assignation involves the valuation of real property, machinery and equipment and intangibles, including those that had not been previously recognized in the financial statements. The guidelines of IFRS 3 are complemented by IAS 38 "intangible assets" that provides instructions with respect to intangible assets that may be considered in a business combination.

The company applied the PPA (IFRS 3) of the acquisition of HEMCO in 2015, retroactive from January 01, 2014 onwards; as a result, HEMCO's fixed assets were adjusted to fair value and an intangible was recognized for USD81,176 (mining reserves).

The carrying value of mining reserves was adjusted in 2015 as a consequence of the liquidation of Mineros LLC (USA), the corporate vehicle through which the investment in HEMCO Nicaragua S.A. was made.

The analysis of cash flows from the acquisition of HEMCO Nicaragua S.A. is:

Item	USD$ miles
Transferred consideration	95.366
Net cash acquired from the subsidiary	1.830
Net cash flow as on the date of acquisition	93.536

(2) The amount corresponding to the investment made through HEMCO Nicaragua S.A. in the corporation Minerales Matusalén S.A. (also Nicaraguan) reflects the excess paid upon investment over the carrying value of the equity of the corporation. Since this company is still in an unproductive stage (exploration activities), preparation of its respective PPA is not pertinent.

No amortization of goodwill allocated to Minerales Matusalén S.A. is recorded since it is in an unproductive stage.

11. Equity financial instruments

These correspond to equity investments, at acquisition cost, made in controlled and non-controlled entities:

Description	Economic Activity	Interest in net equity					
		Percentage (%)			Value ($)		
		31/12/2015	31/12/2014	01/01/2014	31/12/2015	31/12/2014	01/01/2014
Compañía Minera de Ataco S.A.S. (*)	Gold exploration and exploitation	100%	100%	100%	200.000	200.000	200.000
Unipalma de los Llanos S.A.S.	Agribusiness	17,74%	17,74%	17,74%	$2.496.242	$2.496.242	$2.496.242
Entre Ríos de Colombia S.A.S.	Agribusiness	-	35%	-	-	35.000	-
Club de Banqueros	Services	N.A.	-	-	4.500	4.500	4.500
Promotora de Proyectos S.A.	Investor	1,6%	1,6%	1,6%	57.761	57.761	57.761
Distrito de Negocio S.A.S.	Construction	40%	40%	-	80.000	-	-
Total equity financial instruments					**$ 2.838.503**	**$2.793.503**	**$2.758.503**

(*) Despite being a corporation 100% controlled by the parent company, it is excluded from the consolidation of the financial statements of Grupo Empresarial Mineros because it is in an unproductive stage.

Compañía Minera de Ataco S.A.S. was incorporated through private document on April 11, 2011, filed with the Ibagué Chamber of Commerce on April 18 of the same year under No. 00043218. Its main corporate purpose is gold mining exploration and exploitation through mining concession contracts Nos. 4971 and 4974 located in the municipality of Ataco (Tolima Province).

Its main offices are located in the city of Ibagué, and until December 31, 2015 the company had not begun any exploitation activities having only conducted endeavors leading to the obtainment of the environmental license for the mining project from Corporación Autónoma Regional del Tolima (CORTOLIMA). The request for the environmental license was initially presented to Corporación Autónoma Regional del Tolima (CORTOLIMA) on July 23, 2012 and the Works Program (PTO, for its Spanish acronym) was presented to the National Mining Agency (ANM, for its Spanish acronym) on November 21, 2012. Subsequently the company decided to modify the project and the annual volume of material to be removed, which meant desisting of the environmental proceedings before CORTOLIMA, presenting a modification to the PTO on August 05, 2015, and initiating new environmental license proceedings with the National Agency for Environmental Licenses (ANLA, for its Spanish acronym) on October 08, 2015. As on the closing date of the statement of financial position on December 31, 2015, administrative authorities had not yet made definitive pronouncements regarding the environmental license or the PTO modification.

12. Deferred tax asset and liability

Detailed deferred income tax:

A. a) Deferred tax asset

Description	31/12/2015	31/12/2014	01/01/2014
Deferred tax asset	$ (839.192)	$ (717.217)	$ -
Deferred tax liability	970.280	817.643	831.552
Total deferred tax liability (net)	**$ 131.088**	**$ 100.426**	**$ 831.552**

Changes in deferred income tax are:

Description	31/12/2015	31/12/2014	01/01/2014
Initial balance	$ 100.426	$ 96.560	$ 831.552
Charge to the statement of comprehensive income	30.662	3.866	-
Total deferred tax liability (net)	**$ 131.088**	**$ 100.426**	**$ 831.552**

Movements of deferred tax assets and liabilities during the year are:

DEFERRED TAX ASSETS					
Term	**Property, plant and equipment**	**Other assets**	**Financial liabilities**	**Other liabilities**	**Total**
Deferred tax assets	$ 831.552				$ 831.552
Deferred tax liability	(734.992)				(734.992)
01/01/2014	**96.560**				**96.560**
Charge to the statement of comprehensive income	3.866				3.866
Charge to other comprehensive income					
31/12/2014	**100.426**				**100.426**
Charge to the statement of comprehensive income	30.662				30.662
Charge to other comprehensive income					
31/12/2015	**$ 131.088**				**$ 131.088**

B. Deferred tax liabilities

Description	31/12/2015	31/12/2014	01/01/2014
Deferred tax asset	$ 100.333.640	$ 42.145.630	$ 58.354.300
Deferred tax liability	(142.054.647)	(86.979.707)	(106.092.838)
Total deferred tax liability (net)	**$ (41.721.007)**	**$ (44.834.077)**	**$ (47.738.538)**

Changes in deferred income tax are:

Description	31/12/2015	31/12/2014	01/01/2014
Initial balance	$ (44.834.077)	$ (47.738.538)	$ (47.738.538)
Charge to the statement of comprehensive income	6.478.232	(489.420)	-
Deferred tax effect on other comprehensive income	(3.365.162)	3.393.881	-
Total deferred tax liability (net)	**$ (41.721.007)**	**$ (44.834.077)**	**$ (47.738.538)**

Movements of deferred tax assets and liabilities during the year are:

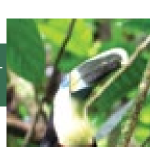
DEFERRED TAX LIABILITIES

Term	Property, plant and equipment	Other assets	Financial liabilities	Other liabilities	Total
01/01/2014	**$ (87.725.140)**	**$ 10.636.921**	**$ 30.175.840**	**$ (826.159)**	**$ (47.738.538)**
Charge to the statement of comprehensive income	8.013.834	(13.930.246)	5.593.708	(166.716)	(489.420)
Charge to other comprehensive income	-	3.393.881	-	-	3.393.881
31/12/2014	**(79.711.306)**	**100.556**	**35.769.548**	**(992.875)**	**(44.834.077)**
Charge to the statement of comprehensive income	(17.723)	1.223.332	3.102.791	2.169.832	6.478.232
Charge to other comprehensive income	-	(3.365.162)	-	-	(3.365.162)
31/12/2015	**$ (79.729.029)**	**$ (2.041.274)**	**$ 38.872.339**	**$ 1.176.957**	**$ (41.721.007)**

13. Trade debtors and other receivables

Description	31/12/2015	31/12/2014	01/01/2014
Trade receivables:			
Foreign customers	$ 4.145.976	$ 2.835.764	$ 4.549.024
Total trade receivables (1)	**4.145.976**	**2.835.764**	**4.549.024**
Miscellaneous receivables:			
Advance payments to suppliers	4.960.134	3.084.400	4.198.892
Loans to employees (2)	9.739.126	8.395.656	6.875.300
Other debtors (3)	22.828.834	18.620.418	10.693.827
Total miscellaneous receivables	37.528.094	30.100.474	21.768.019
Total trade and miscellaneous receivables	41.674.070	32.936.238	26.317.043
Breakdown by maturity:			
Current portion	33.697.563	25.500.984	20.404.905
Non-current portion	7.976.507	7.435.254	5.912.137
Total trade and miscellaneous receivables	**$ 41.674.070**	**$ 32.936.238**	**$ 26.317.043**

(1) Trade receivables are invoiced in US Dollars and are translated at the MRT of each month's closing, as certified by the Financial Superintendency; they have current maturities of less than thirty (30) days, do not accrue interest and do not have specific guarantees. Consequently, management does not consider pertinent to account for any provision for trade receivables impairment.



(2) Details of loans granted to workers in Colombia are:

Type of loan	31/12/2015	31/12/2014	01/01/2014	Interest rate	Garantía
Housing (workers covered by collective bargaining agreement and employees)	$ 7.715.392	$ 7.336.339	$ 5.842.973	5.75% EA employees; 0.66% EA to workers Collective Bargaining Agreement	Mortgage
Family emergency (workers covered by collective bargaining agreement and employees)	1.584.789	781.043	618.777	N.A.	Unsecured
Vehicles	261.115	98.913	69.164	8.04% E.A.	Pledge without possession
Other loans to workers and employees	177.830	179.361	344.386	N.A.	Unsecured
Total	**$ 9.739.126**	**$ 8.395.656**	**$6.875.300**		

Loans for $957,052 in 2015 ($177,992 in 2014) granted to workers of HEMCO Nicaragua S.A. with more than one year of service are granted at terms lower than one year without interest.

(3) This item mainly Includes receivables from Credicorp Capital Colombia S.A. ($9,349,333) from sale of trust rights held in the trust estate. Grupo Contempo Ltda. – Oficinas Oxo Center Bogotá in Fidubogotá S.A.; energy sales receivables for $1,623,146; the balance payable by Distrito de Negocios S.A.S., $3,200,000 corresponding to prepaid expenses for $1,211,575 and receivables from individuals for $2,923,654.

14. Materials stock

Detail of inventories:

Description	31/12/2015	31/12/2014	01/01/2014
Materials and spare parts	$ 72.363.682	$ 56.208.038	$ 48.028.852
Gold inventory (*)	7.675.891	5.897.034	2.463.930
Total inventories	**$ 80.039.573**	**$ 62.105.072**	**$ 50.492.782**
Short-term inventories	7.675.891	5.897.034	2.463.930
Long-term inventories	72.363.682	56.208.038	48.028.852

(*) The equivalent to 3,000 gold ounces valued at USD1,457/oz is included in assets (gold inventory) guaranteeing a loan with Banco de América Central S.A. for USD4,500,000 ($14,172,615 thousand in 2015; $16,029,482 thousand in 2014).

15. Current tax assets

Corresponds to balances in favor of the company determined in private tax returns and ongoing suits, as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Fourth VAT bimonthly period 2011 (1)	$ 2.068.966	$ 2.068.966	$ 2.068.966
First VAT bimonthly period 2012	-	-	1.814.112
Second VAT bimonthly period 2012	-	-	1.676.260
Fourth VAT bimonthly period 2012	-	-	1.432.199
Fifth VAT bimonthly period 2012	-	-	880.282
Sixth VAT bimonthly period 2012	-	1.039.253	1.952.184
First VAT bimonthly period 2013	-	9.624	1.704.548
Second VAT bimonthly period 2013	-	-	1.739.691
Third VAT bimonthly period 2013	-	-	1.119.491
Fourth VAT bimonthly period 2013	-	-	1.352.593
Fifth VAT bimonthly period 2013	-	-	2.957.032
Sixth VAT bimonthly period 2013	-	-	2.431.768
Fifth VAT bimonthly period 2014	-	2.201.568	-
Sixth VAT bimonthly period 2014	-	2.392.834	-
Fourth VAT bimonthly period 2015 (2)	2.409.290	-	-
Fifth VAT bimonthly period 2015 (3)	2.413.793	-	-
Sixth VAT bimonthly period 2015 (3)	2.975.020	-	-
Third VAT quarterly period 2015	-	10.914	-
Tax withholding receivable (4)	1.074.187	1.074.187	-
Fiscal discount (VAT)	41.568	-	-
Turnover Tax	-	8.663	-
Private income tax and CREE tax return balance in favor	884.949	805.010	22.167.499
Net value added tax Nicaragua (5)	3.224.777	-	-
Specific combined tax on fuels Nicaragua (5)	2.708.587	-	-
Income tax advance payment Nicaragua	4.560	-	-
Total current tax assets	**$ 17.805.697**	**$ 9.611.019**	**$ 43.296.625**

(1) Regarding this reimbursement request, DIAN (Colombian Tax and Customs Authority) initially issued writ of prohibition. The company filed a nullity and redress claim with the Appeals Court of Antioquia; the process is awaiting judgment.

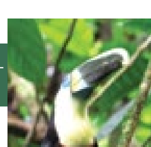
(2) Reimbursement approved on January 04, 2016.

(3) Reimbursement requests to DIAN (Colombia) pending.

(4) Nullity and redress processes pending at the Appeals Court of Antioquia (Colombia) for reimbursement of undue payments related to withholding tax returns of December, 2010, and January, February and March, 2011.

(5) Ongoing reimbursement requests to Revenue General Direction and Ministry of Mines of Nicaragua, subject to fiscal review.

The company and its legal and tax counsels consider that the amounts corresponding to ongoing suits are recoverable once the respective processes are culminated, therefore no loss or contingent liability associated to them is recorded.



16. Biological assets

These correspond to rubber plantations in Colombia, as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Carrying value as on January 01	$ 8.155.144	$ 4.848.255	$ 4.848.255
Purchases or new plantations	-	3.306.889	-
Adjustment to fair value (*)	2.417.572	-	-
Additions	2.591.008	-	-
Amortization	(404.094)	-	-
Carrying value as on December 31	**$ 12.759.630**	**$ 8.155.144**	**$ 4.848.255**

(*) Adjustment to fair value

The adjustment to fair value of biological assets represented in rubber plantations (land and plantations) was made based on the appraisal conducted in November, 2015 by experts Guillermo Restrepo A. and Francisco Ochoa O. who are registered in the National Appraisers Registry of the Superintendency of Industry and Commerce, taking into account the market comparative method (for land), the net replacement cost method (for constructions) and the raising cost (for plantations).

Upon initial recognition of biological assets at fair value in 2015, the company recognized a profit of $2,417,572 in the statement of income.

Details of the cultivation of rubber and the risks associated to it are presented below:

a. Description

The company has a rubber plantation (Hevea Brasilensis) of the euphorbiaceae family. There are currently 4 types of clones planted, 3 of American origin (IAN 710, IAN 873 and FX 3864) and 1 of Asian origin (RHIM 600). As on December 31, 2015, there are 394,460 trees (332,000 in 2014), distributed as follows: i) La Sierrita farm 29,560 (29,000 in 2014), ii) Ángela María and El Llano farms 124,800 (91,000 in 2014), and iii) Yocasta and Natalia farms 240,100 (211,000 in 2014). La Sierrita, El Llano and Ángela María farms are located in the municipality of Zaragoza, and Yocasta and Natalia farms in the municipality of Caucasia , both municipalities in Antioquia province. The main objective of the rubber plantation is the production and extraction of latex to be transformed and offered to domestic and export markets as raw material for tires, auto parts and gloves for household and industrial use.

b. Risks

The most common risks in rubber plantations are: i) strong winds (occasional from July to September), for which windbreaker barriers as well as wind-resisting clones are planted; ii) plantation fires, especially in dry seasons when existing vegetation cover is very dry; this situation may take place in January and February, for which the company has established fire brigades to carry out inspections of plantations and water deposits in planted lots, and has trained personnel in charge of the plantation.

17. Marketable financial assets

Details of marketable financial assets held in Colombia are:

Description	31/12/2015	31/12/2014	01/01/2014
Shares in domestic mining corporations, short term	$ -	$ 8.299.200	$ 1.140.244
Shares in cattle business (1)	148.750	-	-
Shares in foreign mining corporations, short term (2)	125.853	127.470	231.853
Shares in domestic financial corporations, short term	-	2.864.000	6.910.716
Short-term bonds	-	74.349	12.939.632
Fixed-term deposits	-	-	17.333.570
Short-term TES (3)	7.973.700	9.063.680	-
Domestic tax reimbursement securities	-	2.333.614	6.501.748
National investment trusts, short term (4)	14.389.935	1.337.624	1.337.624
Short-term shares repurchase rights	-	13.288.885	-
Investment funds	-	8.425.131	17.781.305
Other investments (5)	5.942.160	-	7.702.807
Total marketable financial assets	**$ 28.580.398**	**$ 45.813.953**	**$ 71.879.499**

(1) Corresponds to 175,000 shares held in Fogansa S.A. – En Liquidación, company engaged in the production, trading and industrialization of agricultural assets with emphasis on cattle production.

(2) Corresponds to 13,320,000 shares held in Canadian company QRSEF - QUIA RESOURCES INC., engaged in the acquisition, exploration and development of precious metals property in Colombia. The company is currently focusing its exploration activities in La Libertad region, San Lucas Range.

Their market-price valuation was based on the closing price at the Canadian Stock Exchange (OTCMKTS: QRSRF) on the last business day of December.

(3) Investments in short-term TES:

- TES – Colombian Government: Par value $3,000,000,000; purchase date 22-04-2015; issue 24-07-2005; maturity 24-07-2020; rate: 11%
- TES – Colombian Government: Par value $4,000,000,000; purchase date 23-09-2011; issue 24-10-2007; maturity 24-10-2018; rate: 11.25%

Fixed income securities in which the company has investments are bonds issued by the Colombian Government or Treasuries (TES) with zero risk. According to the investment policy of Mineros economic group, the issuer risk and counterparty risk are evaluated according to the rating assigned by credit risk agencies. The policy stipulates to invest only in issuers with minimum ratings of <A- for international investments and not lower than AA/DP1 for national investments.

(4) Corresponds to trust rights held in the Alianza Fiduciaria – Proyecto Milla de Oro (Medellín) trust where assets contributed to the real estate project are deposited.

(5) Corresponds to simultaneous active loan operations (funding) conducted as on December 31, 2015 with liquidity surpluses, as follows:

Initial investment date	Title	Issuer	Interest rate	Spread	Term	Issue date	Maturity	Market price
30/12/2015	Bonds	Leasing Bancolombia	TF	7,70	TV	14/09/2011	14/09/2017	$ 632.206
30/12/2015	CDT	Banco Colpatria	TF	5,82	TV	24/02/2015	24/02/2018	1.445.283
30/12/2015	CDT	Banco Corpbanca	TF	7,39	TV	15/10/2015	15/10/2018	1.823.719
29/12/2015	CDT	BBVA	IPC	4,90	TV	24/12/2015	24/12/2030	2.040.952
Total								**$ 5.942.160**

Financial assets designated at fair value through income	2015	2014
Financial assets as on January 01	$ 45.813.953	$ 71.879.499
Additions during the period	18.882.729	28.258.607
Liquidations during the period	(39.036.259)	(55.577.067)
Net changes in fair value	2.919.975	1.252.914
Financial assets as on December 31	**$ 28.580.398**	**$ 45.813.953**

18. Hedging operations

Detail of valuation of hedging operations:

Description	31/12/2015	31/12/2014	01/01/2014
Put options contracts (gold)	$ -	$ -	$ 1.148.516
Forward options contracts	-	-	1.348.908
Put options contracts (USD/$)	-	-	143.335
Forward (right)	20.593.743	1.285.849	-
Futures (right)	-	3.200.729	-
Total hedging operations	**$ 20.593.743**	**$ 4.486.578**	**$ 2.640.759**

As explained in note 2.20 (Financial instruments – hedge accounting), as an exporter of 100% of its gold production, the company conducts cash flow hedging operations with derivatives, basically forwards and options structures.

For MINEROS S.A., as on December 31, 2015, there are 36 forwards maturing between January and December, 2016 corresponding to 4,000 gold ounces per month, at an average price of USD1,130.50. Rights derived from valuation of forwards on gold prices result in currency rights for $10,109,976. Forward contracts are of two types, non delivery and delivery, and the discounted flow methodology is used for their periodic valuation.

For HEMCO Nicaragua S.A., as on December 31, 2015, there are 18 forwards maturing between January and December, 2016 corresponding to 1,833 gold ounces per month, at an average price of USD1,153.29. Rights derived from valuation of forwards on gold prices result in currency rights for USD2,030,377. Forward contracts are of two types, non delivery and delivery, and the discounted flow methodology is used for their periodic valuation.

Option contracts are derivatives entitling its buyer to the right but not the obligation to purchase or sell goods or securities (underlying asset), which in the specific case of the operations conducted by the company, are done to mitigate risks derived from fluctuations of the Dollar in the exchange market. They are periodically valued through the Black & Sholes model. As on December 31, 2015, there are 48 effective contracts of PUT options for USD57,600 thousand nominal value, whose weighted average strike rate is USD/$ 3,000 generating rights in favor of the company for $4,089,156.

19. Cash and cash equivalents

Cash and cash equivalents break down as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Petty cash	$ 80.815	$ 66.482	$ 75.809
Banks local currency	4.209.405	3.811.554	1.483.307
Banks foreign currency (US Dollars)	4.247.778	980.013	680.058
Investment funds	4.025.534	4.372.750	2.441.806
Funds on demand abroad	79.137	85.356	56.331
Total cash and cash equivalents	**$ 12.642.669**	**$ 9.316.155**	**$ 4.737.311**

Average return of these accounts is 1.98% (2014 - 1.72%, as on 01/01/2014 -1.82%).

20. Share capital, treasury stock and share premium

Breakdown of share capital, treasury stock and share premium as on December 31, 2015 and 2014 is presented below:

a. Share capital and treasury stock

Description	31/12/2015	31/12/2014	01/01/2014
Initial capital	$ 158.953	$ 158.953	$ 158.953
Increase (Decrease)	-	-	-
Total capital	**$ 158.953**	**$ 158.953**	**$ 158.953**

The number of outstanding shares is 261,687,402 as on December 31, 2015, 2014 and January 01, 2014, as follows:

Description	Number of shares
Common shares (1)	317.906.252
Treasury stock (2)	(56.218.850)
Total outstanding shares	**261.687.402**

(1) Pubic deed 1030 of April 13, 2005 of Notary Public Office 17 of Medellin (Colombia) formalized Minutes 44 of the Regular Shareholders' Meeting of March 18, 2005, where the authorized capital of $200,000 was divided into 400,000,000 common shares, each with a par value of fifty cents ($0.50*). Of these shares, 261,687,402 were outstanding as on December 31, 2015 and 2014.

(2) As on December 31, 2015 and 2014 no repurchase of own shares took place.

According to Article 396 of the Colombian Code of Commerce, as long as these shares remain the property of the corporation, the rights inherent to them shall be suspended.

The market price of the company's common shares was $1,845 per share as on December 31, 2015 ($2,400 per share as on December 31, 2014), and trading frequency in 2015 was 68.75% (61.21% in 2014).

b. Share premium

Corresponds to the higher amount paid above par value of shares in subsequent capitalizations to the initial one; it is equal to $1,551,099 and cannot be distributed as earnings but is susceptible of tax-free capitalization.

21. Reserves

This item includes:

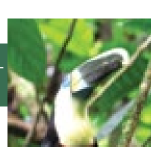
Description	31/12/2015	31/12/2014	01/01/2014
Legal (1)	$ 79.477	$ 79.477	$ 79.477
For future expansions (2)	322.711.253	314.079.324	308.154.142
For acquisition or replacement of property, plant and equipment (2)	23.589.173	26.735.253	24.335.253
Balance-reduction reserve (special depreciation system) (3)	35.444.864	33.419.076	30.503.013
Reserve for repurchase of shares	11.191.282	11.191.282	11.191.282
For using special investment revaluation systems (4)	39.061.436	39.061.436	39.061.436
Other	-	40.371	40.371
Total reserves	**$ 432.077.485**	**$ 424.606.219**	**$ 413.364.974**

(1) Colombian law requires the company to transfer at least 10% of annual net income to a legal reserve until the balance of the reserve is equal to 50% of subscribed capital. Said reserve cannot be distributed but can be used to absorb losses. As on December 31, 2015 and 2014, this sum equals 50% of subscribed and paid-in capital.

(2) Changes in these reserves are the result of appropriations approved by the Regular Shareholders' Meeting held on March 18, 2015, according to Minutes No. 54.

(3) Since 2012, the Shareholders' Meeting in compliance with Article 130 of the Tax Law has appropriated this reserve from net income, equivalent to 70% of the highest value between fiscal depreciation and per-books depreciation. As provided legally, this reserve can be released whenever subsequent per-books depreciation exceeds annual tax depreciation, or when the assets giving rise to the incremental amount deducted are sold. The amount established in 2015 was $1,985,417 (2014 $2,916,063) and the amount released was $3,623,810 (2014 $5,087,377).

(4) Corresponds to the reserve established in 2009 for matters set forth in Article 1 of Regulatory Decree 2336 of 1995 (tax regulation).



22. Other accumulated comprehensive income

As provided in IAS 1, Other Comprehensive Income must include certain entries grouped in two types of categories: (i) those not reclassified subsequently to income for the period, and (ii) those reclassified subsequently to income for the period when certain conditions are met.

For this purpose, the company's Other Comprehensive Income includes the following entries:

Description	31/12/2015	31/12/2014	01/01/2014
Revaluation of assets	$ 9.400.854	$ -	$ -
Measurement of defined benefit plans	(72.922)	(311.567)	-
Cash flow hedges accounting	5.945.123	452.707	-
Total other accumulated comprehensive income	**$ 15.273.055**	**$ 141.140**	**$ -**

Changes in Other Comprehensive Income net of taxes as on December 31:

Other comprehensive income, net of taxes	31/12/2015	31/12/2014
Items not to be subsequently reclassified as income of the period:		
Measurement of defined benefit plans	$ 32.571	$ (105.494)
Revaluation of property, plant and equipment	9.400.854	-
Subtotal	**9.433.425**	**(105.494)**
Items that may be subsequently reclassified as income of the period:		
Cash flow hedges	5.698.490	246.634
Subtotal	**5.698.490**	**246.635**
Total other comprehensive income, taxes	**$ 15.131.915**	**$ 141.140**

23. Loans and borrowings

Breakdown of the included figures is:

Description	31/12/2015	31/12/2014	01/01/2014
Leasing Bancolombia S.A. (1)	$ 100.147.253	$ 113.405.687	$ 88.582.907
Bancolombia (Panama) S.A.	-	-	30.622.841
Banco de Bogotá Miami (Agency) (2)	76.129.390	94.857.068	-
Bancolombia S.A.	37.641	36.501	83.340
BAC Loan (3)	66.299.049	17.148.093	16.967.915
Banco de Bogotá Loan (4)	7.558.728	11.483.808	11.560.980
Caterpillar Crédito, S.A. (5)	1.217.143	1.628.372	2.015.464
NIMAC Leasing	-	-	91.754
Bonanza LAFISE syndicated loan	-	-	92.035.569
Total loans and borrowings	**251.389.304**	**238.559.529**	**241.960.770**
Minus current portion	64.097.789	57.042.411	47.631.948
Non-current portion (6)	**$ 187.291.515**	**$ 181.517.118**	**$ 194.328.822**

(1) Corresponds to infrastructure leasing contracts as described below, which were subscribed on December 28, 2010 with Leasing Bancolombia S.A.:

Contract No.	Interest rate	Term	Civil works
119709	DTF + 3.25%	144 months	Expansion of Providencia I Hydroelectric Plant
119710	DTF + 3.05%	144 months	Construction of Providencia II Hydroelectric Plant

(1) This value corresponds to unnumbered promissory note, for USD39,006,530, term 72 months, payable in semi-annual installments at Libor 180 days + 2.8% EA, maturing on November 27, 2019.

(2) Maturities for loans with Banco de América Central S.A. in 2015 are presented below.

Interest rate	Value USD	$	Maturity
8%	86.383	$ 272.061	01/03/2016
8%	182.349	574.303	01/03/2016
8%	101.507	319.693	01/04/2016
8%	143.206	451.023	01/12/2016
8%	466.160	1.468.157	01/01/2017
8%	151.300	476.515	01/01/2017
7,75%	66.667	209.966	06/02/2016
7,75%	80.000	251.958	14/02/2016
8,50%	18.191	57.292	15/02/2020
7,75%	40.000	125.979	25/02/2016
7,15%	1.500.000	4.724.205	02/03/2021
7,75%	183.333	577.402	10/04/2016
7,75%	300.000	944.841	01/06/2016
7,75%	180.000	566.905	03/06/2016
7,75%	420.000	1.322.777	02/07/2016
7,15%	700.000	2.204.629	16/06/2021
7,75%	280.000	881.852	09/07/2016
7,75%	400.000	1.259.788	05/08/2016
7,15%	500.000	1.574.735	19/08/2021
7,75%	80.000	251.958	12/08/2016
7,75%	270.000	850.357	03/09/2016
7,75%	239.812	755.281	10/09/2016
7,15%	2.500.000	7.873.675	02/04/2021
7,15%	1.000.000	3.149.470	05/05/2021
7,75%	1.024.367	3.226.213	15/10/2016
7,15%	500.000	1.574.735	01/11/2021
7,75%	300.000	944.841	16/11/2021
7,75%	337.584	1.063.211	01/12/2016
6,30%	9.000.000	28.345.227	21/12/2022
Total	**USD 21.050.859**	**$ 66.299.049**	

(1) Corresponds to obligation No. 100-4-45637 for USD2,400,000 ($7,558,728), 3-month term, 180-day Libor + 5.5% + Libor EA.

(2) Corresponds to obligations with Cartepillar Crédito S.A., as follows:

Interest rate	Value		Maturity
	USD	$	
8,6%	20.638,50	$ 64.999	Marzo de 2017
8,6%	74.277,42	233.933	Diciembre de 2017
8,6%	291.556,83	918.250	Marzo de 2018
Total	**USD 386.472.75**	**$ 1.217.182**	

(6) En la siguiente relación se muestran los vencimientos para los préstamos no corrientes con el sector financiero, y los valores cancelados con respecto a estas obligaciones en los años 2015 y 2014.

Maturity	Amount Bancolombia Leasing ($)	Valor Crédito Bancolombia Panamá	
		USD	$
2017	6.271.930	6.000.000	14.697.527
2018	6.818.641	6.000.000	14.697.527
2019 onwards	80.922.802	6.000.000	14.697.527
Total	**$ 94.013.373**	**18.000.000**	**$ 44.092.580**

Amounts paid for these obligations were:

Maturity	$	USD (Thousand)
2014	$ 864.838	$ 39.980
2015	33.341.967	16.800

24. Employee benefits liabilities

Includes the following items:

Description	31/12/2015	31/12/2014	01/01/2014
Salaries payable	$ 47.110	$ 68.674	$ 442.335
Retroactive severance payments (1)	2.960.361	3.069.372	2.260.569
Severance payments Law 50 of 1990	2.598.988	916.618	2.085.501
Interest on severance payments	402.059	356.004	332.724
Vacations and vacation savings	4.272.587	3.226.448	2.364.602
Retirement bonus (2)	970.175	684.045	1.154.672
Retirement pensions (3)	1.582.067	1.606.945	1.491.612
Provision for labor compensations (4)	4.877.508	2.672.238	1.766.867
Bonus (Christmas gift Nicaragua)	226.002	135.460	100.009
Seniority bonus (5)	101.791	80.926	58.396
Total employee benefits liabilities	**$ 18.038.648**	**$ 12.816.730**	**$ 12.057.287**
Minus current portion	7.648.537	6.242.199	5.383.567
Non-current portion	$ 10.390.111	$ 6.574.531	$ 6.673.720

(1) Corresponds to the estimate as on December 31, 2015 and 2014 of current value of severance payments for the company's personnel in Colombia not covered by Law 50 of 1990 that have therefore the benefit of retroactivity for severance payments after discounting advance payments. This fringe benefit is calculated for the whole period worked based on the latest salary earned, for each year of service, and includes 12% interest on retroactive accumulated severance payments at the end of the year liquidated annually.

These benefits are valued annually through the projected unit credit as provided in IAS 19, for 70 employees in 2015 (76 in 2014) based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Annual inflation rate	3,5%	2,41%
Annual increase in minimum wage	4%	3,41%
Salary readjustment rate	5%	5%
Discount rate	7,35%	5,62%

Below is the reconciliation of movements in actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 3.069.372	$ 2.260.569	$ 2.260.569
Service costs	293.739	232.007	-
Actuarial profits (losses)	-	1.013.324	-
Payments during the year	(402.750)	(436.528)	-
Total severance payments	**$ 2.960.361**	**$ 3.069.372**	**$ 2.260.569**

For this actuarial calculation the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used.

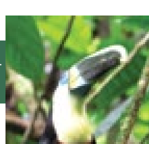
(2) Corresponds to the estimate of the obligation of MINEROS S.A. in Colombia for bonuses payable at the time of retirement equal to $6.500 (thousand).

These benefits are valued annually through the projected unit credit as provided in IAS 19, for 421 employees in 2015 (460 in 2014) based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Benefit increment rate	9,21%	5%
Discount rate	8,79%	6,77%

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 684.045	$ 1.154.672	$ 1.154.672
Service costs	74.415	51.871	-
Interest costs	43.669	68.211	-
Actuarial profits (losses)	207.046	(536.209)	-
Payments during the year	(39.000)	(54.500)	-
Total retirement bonus	**$ 970.175**	**$ 684.045**	**$ 1.154.672**



For this actuarial calculation the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used; for the employee turnover rate, statistics prepared by the company for personnel under indefinite-term contracts were used as basis, as follows:

Rango de tiempo de servicios alcanzado	% Promedio de retiros en el rango 31/12/2015	% Promedio de retiros en el rango 31/12/2014
De 0 a 2	3,45	52,80
Mayor de 2 hasta 5	2,99	5,48
Mayor de 5 hasta 10	0,78	-
Mayor de 10 hasta 15	3,51	-
Mayor de 15 hasta 20	-	3,03
Mayor de 20 hasta 30	5,77	-
Mayor de 30	5,08	6,56

(3) Retirement pensions currently under the responsibility of MINEROS S.A. correspond to those employees who on the date of the ISS transfer Resolution (November, 1997), had expectations to qualify for the special retirement pension agreed in the Collective Bargaining Agreement (18 years of service, 47 years of age), and therefore, the recognition date depended on the worker's will, or to those workers, who on the date of the same Resolution were not active company workers and had retired with the expectation of retirement pension, pending only the age requirement.

Valuations conducted for MINEROS S.A. by an actuarial expert determine the current value of the obligation at December 31, 2015 and 2014 for pensions and survival payments under application of Colombian pension legislation, and include additional monthly payments in June and December each year as well as the funeral aid payable to retirees whose pension the company is totally responsible for.

The actuarial estimate for retirement pensions is determined annually using the "projected unit credit method" as provided in IAS 19 for 17 pensioners at December 31, 2015 and 2014, whose benefit is already consolidated based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Discount rate	8,39%	6,38%
Pension readjustment rate	3,5%	2,41%
Employee turnover	N.A.	N.A.

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 1.606.945	$ 1.491.612	$ 1.491.612
Service costs	-	-	-
Interest costs	91.758	80.240	-
Other comprehensive income actuarial profit (loss)	52.088	232.512	-
Payments during the year	(168.724)	(197.419)	-
Total retirement	**$ 1.582.067**	**$ 1.606.945**	**$ 1.491.612**

For actuarial calculations as on December 31, 2015 and 2014, the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of July 30, 2010 were used.

Additionally, the company finances the payment of retirement pensions for which it is responsible with its own funds, that is, the pension liability is not backed by any trust with specific destination.

The amounts recognized in the comprehensive income statement for retirement pensions break down as follows:

Item	31/12/2015	31/12/2014
Appropriation for pensions (actuarial estimate)	$ 37.865	$ 35.993
Pension payments	206.589	197.558

(4) According to the Labor Code of the Republic of Nicaragua, upon contract termination, employers are liable for recognition of a compensation that depends on the worker's seniority, at any case not less than one month nor greater than five months. For labor contracts that are terminated with senior level staff, an additional sum has to be paid equivalent to between two and six months of salary, provided the associate has a minimum of one year of continuous work.

For that purpose, a Nicaraguan actuarial expert determined the current value of the obligation as of December 31, 2015 and 2014 for labor compensations. The actuarial estimate is determined annually using the "projected unit credit method" as provided in IAS 19 for 1,470 workers as on December 31, 2015 (1,353 workers as on December 31, 2014) whose benefit is already consolidated based on the following assumptions:

Assumption	31/12/2015	31/12/2014
Discount rate	7.97%	8.12%
Salary readjustment rate	5.50%	5.00%
Workers turnover	100% amounts table used by Watson Wyatt Worldwide for Mexico	100% amounts table used by Watson Wyatt Worldwide for Mexico

Below is the reconciliation of movements in the actuarial estimate:

Description	31/12/2015	31/12/2014	01/01/2014
Previous balance	$ 2.672.238	$ 1.766.868	$ 1.392.853
Increase in provision	1.372.674	1.322.957	778.159
Translation adjustment	679.629	288.128	(66.326)
Actuarial profits (losses)	1.562.414	431.680	138.969
Payments during the year	(1.409.447)	(1.137.395)	(476.788)
Total retirement bonuses	$ 4.877.508	$ 2.672.238	$ 1.766.867

(1) Operadora Minera S.A.S. is liable in Colombia for an obligation under a collective bargaining agreement with its workers for seniority bonuses corresponding to seven days of salary upon five years of service and 15 days at the end of every five years after ten years of service. To determine the actuarial liability the bonus was assumed in force until December 31, 2020, maximum useful life of the company.

These benefits are valued annually through the projected unit credit as provided in IAS 19, for 560 workers in 2015 (580 in 2014) based on the following financial hypotheses:

Hypothesis	2015-12-31	2014-12-31	Hipótesis
Annual inflation rate	3,5%	1,41%	Tasa de inflación anual
Benefit annual increment rate	5,0%	3,91%	Tasa de incremento anual del beneficio
Discount rate	7,04%	5,30%	Tasa de descuento

Below is the reconciliation of movements in the actuarial estimate:

Item	31/12/2015	31/12/2014	01/01/2014
Previous balance	$80.925	$58.396	$58.396
Service costs	24.395	33.182	-
Interest costs	3.577	2.236	-
Actuarial profits (losses)	6.327	9.449	-
Payments during the year	(13.433)	(22.337)	-
Total seniority bonuses	**$ 101.791**	**$ 80.926**	**$ 58.396**

For this actuarial calculation the mortality tables for annuitant men and women experience 2005-2008 approved by the Financial Superintendency under Resolution No. 1555 of June 30, 2010 were used; for employee turnover rate statistics prepared by the company for personnel under indefinite-term contracts were used as basis, as follows:

Time of service range	Average % of retirements	Average % of retirements in the 31/12/2014 range
0 - 2	in the 31/12/2015 range	12.69%
Greater than 2 to 5	10.38%	6.50%
Greater than 5 to 10	7.63%	1.68%
Greater than 15 to 20	2.43%	-
Greater than 20 to 30	-	-
Greater than 30	-	-

25. Provisions

The value of provisions is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Labor (1)	$ 1.930.000	$ 835.000	$ 435.000
Administrative (2)	597.720	597.720	597.720
Decommissioning of assets (3)	633.382	58.620	58.620
Environmental liabilities (4)	4.313.282	2.655.171	2.054.081
Total provisions	**$ 7.474.384**	**$ 4.146.511**	**$ 3.145.421**

(1) Est (1) This provision is recognized for estimated probable losses in labor suits in Colombia when there has been a trial court decision against the company, or when an appeal has been filed with the appeals courts or the Supreme Court. The provision is reviewed annually based on the report presented by the company's labor counsels.

(2) (1) Corresponds to the provision for the contingency of loss in two administrative environmental penalty processes filed by Corporación Autónoma Regional del Centro de Antioquia (CORANTIOQUIA), Panzenú region (Colombia), for alleged infringement of environmental regulations by MINEROS S.A. in carrying out its mining operations in the Northeastern region of Antioquia Province. The amount of the contingency was estimated by an environmental experts firm since the penalty was not determined by the administrative authority.

(3) (1) The provision in Colombia for decommissioning of assets represents closing costs expected to be incurred between 2016 and 2021 for closing the facilities of La Ye Mine (municipality of Zaragoza-Antioquia province) and the tailings associated to underground mining exploitation. The estimate of such closing costs is based on studies prepared by the company's expert technicians in compliance with environmental regulations in force.

The provision corresponds mainly to activities necessary to restore the zones that have been affected by mining exploitation works, such as earth removal, dismantling of the processing plant, closing of mine portals, monitoring, and revegetation works. Closing budgets for La Ye Mine and tailings are reviewed periodically to take into account any significant change occurred in any of the studies conducted; however, closing costs will depend on market prices of closing works required that will reflect future economic conditions. Additionally, the moment when the expenditures will be carried out will depend on the mine's useful life, which will depend in turn of future gold quotes and the new areas to be developed resulting from exploration activities.

(4) The most general international definition of Mining Environmental Liabilities (Oblasser y Chaparro 2008) refers to "an area where there is a need to restore, mitigate or compensate for environmental damage or impact produced by inactive or abandoned mining activities that have not been managed and pose a risk to human health, the quality of life, or public or private property".

Environmental liabilities of Grupo Empresarial Mineros correspond to each of the countries where its gold exploration and exploitation activities are carried out, as follows:

- For the closing of the alluvial mining operation carried out in the Northeastern region of the Antioquia province (Colombia), the technical study conducted by independent consulting firm Ambiental Mente S.A.S. assessed the obligation at $284,894 as on December 31, 2015 ($272,626 as on December 31, 2014).

- For the mining operation carried out in the municipality of Bonanza, North Atlantic Autonomous Region, Nicaragua, the technical study was conducted by Damaso Palaviciny D., BA ecology and natural resources, and includes all the operation components such as underground and open-pit mining works, processing plant, industrial waste management facilities, dismantling of equipment and machinery, and the dismantling and/or demolition of the complete productive and service infrastructure available on the date of the decision of closing. As on December 31, 2015, this environmental liability was assessed at $4,661,771 ($2,382,546 as on December 31, 2014).

Changes in provisions are detailed as follows:

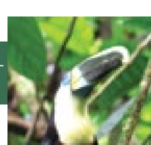
Description	2015	2014
Balance of provisions on January 01	$ 4.146.511	$ 3.145.421
Additions	3.439.872	1.001.090
Used (-)	(124.267)	-
Adjustments for discount rate	12.268	-
Balance of provisions as on December 31	**$ 7.474.384**	**$ 4.146.511**

26. Hedging operations

Detail of valuation of hedging operations is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Forward contracts	$ -	$ -	$ 93.594
Call options contracts (gold)	-	-	68.599
Call options contracts (USD/$)	-	-	66.632
Hedging operations with financial derivative instruments	8.663.284	3.709.514	-
Total hedging operations	**$ 8.663.284**	**$ 3.709.514**	**$ 228.825**

This liability, as explained in Note 2.19 (Financial instruments –hedge accounting), in agreement with Note 18 (Hedging operations), represents the obligations derived from Call option contracts executed by the company in Colombia as on December 31, 2015, corresponding to 48 contracts with USD 57,600 (thousand) nominal value and weighted average strike rate of USD/$3,260.91.



27. Creditors and other payables

This item corresponds to:

Description	31/12/2015	31/12/2014	01/01/2014
Suppliers	$ 20.895.201	$ 14.633.312	$ 8.401.206
VAT and income tax withholding	2.333.332	2.113.479	1.084.406
Turnover tax withholding El Bagre (Colombia)	13.924	13.164	16.111
Payroll withholdings and contributions	1.376.222	1.361.636	1.568.559
Other	18.218.715	15.382.578	11.862.917
Total creditors and other payables	**$ 42.837.394**	**$ 33.504.169**	**$ 22.933.199**
Breakdown by maturity:			
Current portion	3.539.928	-	-
Non-current portion	39.297.466	33.504.169	22.933.199
Total trade and miscellaneous receivables	**$ 42.837.394**	**$ 33.504.169**	**$ 22.933.199**

According to the group's policy, obligations for creditors and other payables arising from the regular corporate business course are paid within a maximum term of 30 days.

28. Other financial liabilities

The amount of financial liabilities is as follows:

Description	31/12/2015	31/12/2014	01/01/2014
Declared regular dividends (*)	$ 7.850.622	$ 7.850.622	$ 10.205.808
Accrued dividends payable	-	-	915.906
Former periods dividends	1.043.360	943.792	833.177
Total other financial liabilities	**$ 8.893.982**	**$ 8.794.414**	**$ 11.954.891**

* According to Minutes No. 54 of the Regular Shareholder's Meeting of March 18, 2015, the proposal for payment of dividends was approved. Monthly dividend is $10 (ten Pesos) per share on total 261,687,402 outstanding shares, for a monthly value of $7,850,622 for the April 2015-March 2016 period, payable between the 10th and the 20th day of each month. Shareholders registered in the shareholder register on the ex-dividend day of the same period determined in the General Regulations of the Colombian Stock Exchange, as provided in article 2 of Decree 4766 of 2011, are entitled to the month's dividend.

$31,402,488 thousand was appropriated from earnings of the year 2014 for payment of dividends.

For the current fiscal year, $22,508,506 has been accrued and paid for the periods between April and December.

ITEM	2015	2014
Declared dividends	$ 31.402.488	$ 31.402.488
Paid dividends	(22.508.506)	(22.608.074)
DIVIDENDS PAYABLE	$ 8.893.982	$ 8.794.414

29. Current tax liabilitiess

Liabilities show the net balance payable by group companies on taxes for which they are liable in each country according to the tax regulations applicable therein, as explained in detail in notes 2.11.1 and 2.11.2 hereof. Details of these obligations:

Description	31/12/2015	31/12/2014	31/12/2014
Income tax in favor	$ (59.764)	$ 10.907.037	$ 3.484.915
Windfall profit surtax	2.109.339	-	-
Income tax for equity purposes (CREE) balance in favor	(4.618.405)	3.458.807	2.605.742
CREE surtax	2.710.563	-	-
Tax payable previous periods	1.922.264	240.960	-
Tax on equity	-	-	4.569.766
Value added tax - VAT	-	-	477.007
Ad valorem tax	740.603	1.356.816	776.105
Other taxes	129.722	-	-
Withholding tax	1.185.504	-	-
Total current tax liabilities	**$ 4.119.826**	**$ 15.963.620**	**$ 11.913.535**

Details of items corresponding to current and deferred taxes carried to the income statement are:

Description	31/12/2015	31/12/2014
Income tax	$ 20.380.606	$ 25.632.938
Windfall profit surtax	2.109.339	-
Income tax for equity (CREE)	5.072.398	8.002.779
Surtax of income tax for equity (CREE)	2.733.937	-
Deferred tax revenue (expense) IFRS	(11.004.826)	225.358
Total current tax liabilities	**$ 19.236.206**	**$ 33.861.075**

Grupo Empresarial Mineros paid in 2015 $4,476,562 for tax on wealth; for 2016 it is expected it will have to pay $5,058,697, approximately, within the terms established by the National Government.

30. Revenue from regular activities

GEM obtains regular revenue from the export of gold and precious metals. Sales to customers by country:

Country	31/12/2015	31/12/2014
United States:	$ 273.876.620	$ 368.873.826
England	265.542.808	55.713.055
Switzerland	43.985.980	39.300.120
Total sales of gold and precious metals	**$ 583.405.408**	**$ 463.887.001**

Revenue received from main customers for net sales:

Description	31/12/2015 INTL FCSTONE LTD	Hemco	31/12/2014 Mineros	Hemco
Auramet Tranding	37%	59%	-	35%
INTL Commodities Inc.	36%	39%	41%	63%
Metalor	14%	-	46%	-
Argor	5%	2%	4%	2%
Total sales of gold and	8%	-	9%	-
precious metals	**100%**	**100%**	**100%**	**100%**

GEM's gold sales are made to brokers and internationally renowned companies. Some of these customers have sales contracts that guarantee the supply of the company's output at prices based on current market quotes.

31. Costs of sales and operation

The balance of this account includes:

Description	31/12/2015	31/12/2014
Personnel expenses	$ 108.875.750	$ 87.844.428
Maintenance and repairs	100.010.158	62.593.224
Adaptation and installation	78.248.323	83.980.875
Insurance	39.021.802	35.549.126
Fees	23.700.767	17.172.534
Leases	20.000.858	12.517.803
Services	13.195.190	11.206.004
Miscellaneous	12.017.597	11.619.426
Materials and spare parts	8.987.670	3.600.642
Depreciation	4.798.016	4.316.739
Contributions and memberships	1.511.262	1.398.951
Housing and living expenses	1.493.825	775.846
Amortization	1.227.437	1.084.636
Taxes	671.787	1.056.569
Legal	139.524	380.098
Total costs of sales and operation	**$ 413.899.966**	**$ 335.096.901**

32. Other revenue

Includes the following items:

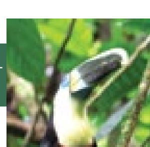
Description	31/12/2015	31/12/2014
Sale of investments in controlled companies (*)	$ 47.794.727	$ -
Revaluation of derivatives (hedges)	4.089.155	-
Hedge contracts	3.232.506	283.121
Energy sales	3.154.210	-
Revaluation of securities	2.919.975	-
Revaluation of biological assets	2.417.572	-
Reimbursement of costs and expenses	1.355.945	1.481.393
Miscellaneous	858.935	1.667.788
Sale of shares listed in the stock exchange	483.441	740.107
Recoveries	284.610	2.977.323
Sale of securities	198.571	118.322
Gain in sale of assets	194.603	11.000
Leases	60.243	48.751
Sale of agricultural products	21.815	69.199
Collective Portfolios	-	11.572
Total other revenue	**$ 67.066.308**	**$ 7.408.576**

(*) Corresponds to income from lthe iquidation of Mineros LLC (USA), the corporation vehicle through which the controlling shareholding in HEMCO Nicaragua S.A. was initially acquired.

33. Administration expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Personnel expenses	$ 10.004.148	$ 8.622.516
Taxes	1.629.381	234.817
Services	1.087.498	1.143.657
Fees	976.829	969.181
Maintenance and repairs	788.542	816.538
Amortization	761.396	316.556
Housing and living expenses	712.120	770.300
Miscellaneous	678.811	(1.510.100)
Leases	602.668	138.957
Legal	588.829	30.955
Depreciation	317.193	357.220
Insurance	241.653	234.470
Contributions and memberships	139.709	400.458
Adaptation and installation	16.851	38.391
Total administration expenses	**$ 18.545.628**	**$ 12.563.916**



34. Other expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Amortization of explorations and others (2)	$ 46.859.506	$ 26.021.506
Duty for use of water resources (1)	14.593.438	-
Other expenses	11.659.017	5.748.050
Community aid	2.989.812	228.025
Energy sales expenses	2.766.794	-
Gifts	2.120.434	311.920
Levy on financial transactions	1.435.211	1.299.238
Taxes assumed	1.350.789	1.358.332
Estimated liabilities	1.095.000	400.000
Retirement of assets	1.011.195	380.619
Communications expense	630.302	652.764
Maintenance fees	119.230	151.741
Labor claims	30.840	57.149
Pre-paid obligations	-	2.474.131
Tax on equity	-	153.272
Other non-operating expenses	-	4.619.452
Total other expenses	**$ 86.661.568**	**$ 43.856.199**

(1) Corresponds to the definitive duty calculated and paid for 2013 as a result of the reconsideration request made by MINEROS S.A. against the administrative act initially issued by the environmental authority (CORANTIOQUIA) imposing a higher duty.

(2) In 2015, the company, based on technical reports presented by the geology area, carried $42,603,556 to the period's results as other expenses corresponding to mining projects considered economically unviable (2014 $15,260,349).

35. Financial revenue

Includes the following items:

Description	31/12/2015	31/12/2014
Interest	$ 2,867,881	$ 2,965,059
Trust rights	1,190,948	471,314
Domestic and foreign dividends	19,400	189,332
UVR adjustment	2,397	3,629
Revaluation of securities	-	1,872,378
Revaluation of derivatives (hedges)	-	260,123
Total financial revenue	**$ 4.080.626**	**$ 5.761.835**

36. Financial expenses

Includes the following items:

Description	31/12/2015	31/12/2014
Hedge contracts	14.755.066	3.889.575
Interest	9.404.774	12.723.315
Impairment of derivatives	8.913.222	329.686
Banking expenses	3.710.008	14.071
Impairment of financial assets	788.557	3.891.793
Loss in sale of investments	280.124	825.348
Commissions	170.051	385.323
Total other financial expenses	**$ 38.021.802**	**$ 22.059.111**

37. Exchange gain/loss

Includes the following items:

Description	31/12/2015	31/12/2014
Debtors	$ 13.874.878	$ 28.590.846
Investments	350.711	918.071
Cash and banks	72.533	(267.838)
Foreign exchange financial liabilities	(30.526.426)	(23.074.448)
Total exchange gain/loss	**$ (16.228.304)**	**$ 6.166.631**

38. Measurement of fair value on a recurring and non-recurring basis

The methodology established in IFRS 13 Measurement of Fair Value specifies a hierarchy for valuation techniques based on whether the inputs used in determining fair value are observable or non-observable. Grupo Empresarial Mineros determines fair value on a recurring and non-recurring basis, as well as for disclosure effects:

- Based on prices quoted in active markets for assets and liabilities identical to those to which Grupo Empresarial Mineros can have access to on the measurement date (level 1).

- Based on valuation techniques commonly used by market participants that use inputs different from quoted prices directly or indirectly observable for assets and liabilities (level 2).

- Based on internal valuation techniques of discounting of cash flows or other valuation models, using inputs estimated by MINEROS unobservable for the asset or liability, in the absence of inputs observed in the market (level 3).

In 2015, no transfers were made into and out of the fair value hierarchy levels.

Valuation techniques and inputs used by MINEROS in measuring fair value for recognition and disclosure:

1. **Cash and cash equivalen** includes cash and banks and highly liquid investments (collective portfolios and money market accounts) easily convertible into a determined cash amount and subject to insignificant risk of changes in value and maturing within three months from their date of acquisition. The valuation technique used by MINEROS S.A. for this item is the market value; these items are classified at level 1 of the fair value hierarchy.

2. **Portfolio investments at fair value:** includes investments to optimize liquidity surpluses. The valuation technique used by MINEROS for this item is the market value; these items are classified at level 1 of the fair value hierarchy.

3. **Derivative instruments:** MINEROS uses derivative financial instruments, such as forward contracts and options (zero cost collars) to hedge foreign currency risks and commodity price risks. The methodologies used by MINEROS for valuation of financial derivatives coincide with the methodologies commonly used by market participants. The valuation of forwards consists basically in discounting the future cash flows foreseen in the operation, with market discount rates, in contrast with the value of the underlying asset on the date of evaluation The valuation of options uses the Black Scholes model, which consists basically in stochastic processes for calculation of premiums for options to buy and/or sell. These items are classified at level 2 of the fair value hierarchy.

4. **Investment properties:** property (land or buildings, considered as a whole or in part, or both) held by the company in its own name of by financial leasing, to obtain rents, goodwill or both, except for:

- Its use in production or procurement of goods and services, or for administrative matters; or
- Its sale in the ordinary course of business.

MINEROS uses two techniques for valuation of these items. Within the market focus, the comparative or market method is used; it consists in deducting the price by comparison of transactions, supply and demand, and appraisals of similar or comparable real estate, with adjustments for time, conformation and localization. The items valued with this technique are classified at level 2 of the fair value hierarchy. Within the cost focus, the residual method is applied only to buildings and is based on the determination of updated construction cost minus depreciation for age and degree of conservation. These items are classified at level 2 of the fair value hierarchy.

The following table shows the assets and liabilities of MINEROS measured at fair value on a recurring basis as on December 31, 2014 and 2015, for each level of the fair value hierarchy, as well as the total value of transfers between level 1 and level 2 which took place during the period::

Measurement of fair value on a recurring basis as on December 31, 2015 – In thousands of Colombian Pesos	LEVEL 1		LEVEL 2		LEVEL 3	TOTAL
	Transfers to Level 2	Level 1	Transfers to Level 1	Level 2		
Assets						
Marketable or designated						
Collective Portfolios	-	$ 4.025.533	-	$ -	-	$ 4.025.533
Money Market	-	79.137	-	-	-	79.137
	-	4.104.670	-	-	-	4.104.670
Other investments						
Fixed income securities	-	7.973.700	-	-	-	7.973.700
Variable income securities	-	6.216.763	-	-	-	6.216.763
	-	14.190.463	-	-	-	14.190.463
Derivatives						
Forwards	-	-	-	5.535.848	-	5.535.848
Investment properties						
Barú land plot	-	-	-	5.661.450	-	5.661.450
Biological assets						
Plantations under development	-	-	-	12.759.630	-	12.759.630
Total	**-**	**$ 18.295.133**	**-**	**$ 23.956.928**	**-**	**$ 42.252.061**
		43,30%		**56,70%**		**100%**

Measurement of fair value on a recurring basis as on December 31, 201 – In thousands of Colombian Pesos	LEVEL 1		LEVEL 2		LEVEL 3	TOTAL
	Transfers to Level 2	Level 1	Transfers to Level 1	Level 2		
Assets						
Marketable or designated						
Collective Portfolios	-	$ 4.372.749	-	$ -	-	$ 4.372.749
Money Market	-	85.355	-	-	-	85.355
	-	4.458.104	-	-	-	4.458.104
Other investments						
Fixed income securities	-	17.302.669	-	-	-	17.302.669
Variable income securities	-	24.640.733	-	-	-	24.640.733
	-	41.943.402	-	-	-	41.943.402
Derivatives						
Futures	-	-	-	3.200.728	-	3.200.728
Forwards	-	-	-	(2.423.665)	-	(2.423.665)
Investment properties						
Barú land plot	-	-	-	4.148.100	-	4.148.100
Biological assets						
Plantations under development	-	-	-	4.848.255	-	4.848.255
Total	**-**	**$ 46.401.506**	**-**	**$ 9.773.418**	**-**	**$ 56.174.924**
		82,60%		**17,40%**		**100%**

39. Earnings per share

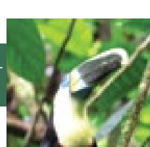
Basic and diluted earnings per share

Basic earnings per share are calculated by dividing income attributable to the company's shareholders by the weighted average of common outstanding shares during the year, excluding common shares acquired by the company and held as treasury stock (see Note 20).

Diluted earnings per share are calculated by adjusting the average number of common outstanding shares to simulate the conversion of all potential dilutive common shares. The company does not have potential dilutive common shares.

Below are the details:

Description	31/12/2015	31/12/2014
Income after taxes	$ 61.958.868	$ 35.786.841
Weighted average of common outstanding shares	261.687.402	261.687.402
Earnings per share	**$ 236.77**	**$ 136,76**



40. Operating segments

To date, Grupo Empresarial Mineros does not have operating segments or business lines different from the activities of exploration, exploitation and sale of precious metals (gold and silver), which are monitored as a whole by the company's board of directors; therefore only the referred operating segment exists.

41. Events after the reporting period

As provided in IAS 10, it is informed that by Resolution No. 112412016000032 of February 01, 2016 issued by the National Customs and Tax Administration, the request for correction of the company's tax return of 2013 was approved giving rise to an increased balance in favor for income tax for $3,648,359.

42. Transactions and balances between related parties

In conformity with IAS 24, the following is disclosed:

YEAR 2015

Subsidiary	Revenue	Costs/expenses	Amounts receivable	Amounts payable
Operadora Minera S.A.S.	$ 359.328	$ 23.071.262	-	$ 1.802.461
Exploradora Minera S.A.S.	60.911	1.963.872	-	129.293
Hemco Nicaragua S.A.	5.792.860	-	1.744.544	-

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Subsidiary	Revenue	Costs/expenses	Amounts receivable	Amounts payable
Operadora Minera S.A.S.	$ 228.546	$ 16.942.280	$ 68.123	$ 1.942.799
Exploradora Minera S.A.S.	140.626	3.670.691	-	287.924
Hemco Nicaragua S.A.	5.963.496	-	17.979.115	-
Bonanza Holding S.A.	-	-	134.509.180	-

All operations with group companies were conducted under market conditions and no differences existed with respect to the general terms applicable to similar operations carried out with third parties.

Total compensation paid to key executive personnel of GEM (persons with authority and responsibility to plan, direct and control the entity's activities) during 2015 totaled $1,835,314 (2014 $1,024,448). Fees paid to directors for their attendance to the Board of Directors during 2015 totaled $156,350 (2014 $123,798).

43. Approval of financial statements

The financial statements have been approved by the board of directors and its publication has been approved for March 15, 2015.

FINANCIAL REPORT 2015

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