

**MINERA EL TESORO**  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE FIRST HALF ENDED 30 JUNE 2007 AND 2006

(TRANSLATION FROM SPANISH VERSION  
FILED WITH SUPERINTENDENCIA DE VALORES Y SEGUROS  
DE CHILE 29<sup>TH</sup> AUGUST 2007)

## MINERA EL TESORO

### BALANCE SHEET AT JUNE 30, 2007 AND 2006 (In thousands of US Dollars - ThUS\$)

	June 30, 2007 ThUS\$	June 30, 2006 ThUS\$
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash at bank and in hand	1,387	160
Time deposits	60,337	74,321
Marketable securities	304,037	
Trade debtors	61,801	45,938
Account receivable from related companies	1,983	
Sundry debtors	3,271	2,309
Inventories	41,729	46,265
Recoverable taxes	3,694	3,219
Prepaid expenses	832	2,060
Other current assets	30	3,203
	<hr/>	<hr/>
Total current assets	479,101	177,475
	<hr/>	<hr/>
<b>FIXED ASSETS:</b>		
Land	301	301
Mining properties	46,529	46,529
Construction and infrastructure	147,161	145,275
Machinery and equipment	124,149	115,469
Other fixed assets	29,692	27,590
	<hr/>	<hr/>
Subtotal	347,832	335,164
Less: Accumulated depreciation	(97,826)	(74,277)
	<hr/>	<hr/>
Total fixed assets	250,006	260,887
	<hr/>	<hr/>
<b>OTHER ASSETS:</b>		
Mine development costs - net	39,075	51,263
Others	6,704	7,018
	<hr/>	<hr/>
Total other assets	45,779	58,281
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<b>TOTAL ASSETS</b>	<b>774,886</b>	<b>496,643</b>
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The accompanying notes are an integral part of these financial statements

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Bank loans - senior debt, current portion	14,051	28,128
Accounts payable	13,027	7,292
Dividends payable		55,000
Leasing obligations - current portion	91	115
Accounts payable to related companies	950	1,896
Sundry payables	4,045	
Accruals	26,647	23,993
Withholdings	859	4,179
Income tax payable	10,812	13,609
Deferred taxes	396	838
<b>Total current liabilities</b>	<b>70,878</b>	<b>135,050</b>
<b>LONG-TERM LIABILITIES:</b>		
Bank loans-senior debt	7,000	21,000
Leasing obligations		92
Accruals	6,981	6,048
Deferred taxes	32,234	28,596
<b>Total long-term liabilities</b>	<b>46,215</b>	<b>55,736</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Paid-in capital	90,995	90,995
Retained earnings	401,139	77,442
Net income for the period	165,659	137,420
<b>Total shareholders' equity</b>	<b>657,793</b>	<b>305,857</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>774,886</b>	<b>496,643</b>

## MINERA EL TESORO

### STATEMENTS OF INCOME FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2007 AND 2006 (In thousands of US Dollars - ThUS\$)

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
REVENUES	331,997	262,621
COST OF SALES	<u>(121,376)</u>	<u>(81,439)</u>
GROSS MARGIN	210,621	181,182
ADMINISTRATIVE AND SELLING EXPENSES	<u>(13,927)</u>	<u>(12,956)</u>
OPERATING INCOME	<u>196,694</u>	<u>168,226</u>
OTHER INCOME (EXPENSES):		
Financial income	7,947	913
Other income	14	39
Exchange differences	(64)	2,013
Financial expenses	(1,111)	(1,687)
Other expenses	<u>(1,550)</u>	<u>(918)</u>
Other income	<u>5,236</u>	<u>360</u>
INCOME BEFORE INCOME TAX	201,930	168,586
INCOME TAX	<u>(36,271)</u>	<u>(31,166)</u>
NET INCOME FOR THE PERIOD	<u><u>165,659</u></u>	<u><u>137,420</u></u>

The accompanying notes are an integral part of these financial statements

## MINERA EL TESORO

### STATEMENTS OF CASH FLOWS FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2007 AND 2006 (In thousands of US Dollars - ThUS\$)

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
Net income for the period	165,659	137,420
Charges (credits) to income which do not represent cash flows:		
Depreciation and amortization	20,899	16,866
Deferred taxes	420	2,652
Exchange differences	64	(2,013)
Write-offs of projects	667	547
Decrease (increase) in assets which affect cash flows:		
Trade debtors	(13,421)	(18,547)
Sundry debtors and others	(1,342)	(67)
Inventories	8,027	(13,795)
Recoverable taxes	(1,230)	505
Other assets	(591)	(4,504)
Increase (decrease) in liabilities which affect cash flows:		
Accounts payable	3,979	(1,340)
Accounts payable to related companies	(113)	218
Income tax payable	(24,567)	1,983
Other liabilities	(1,272)	2,424
Net cash provided by operating activities	<u>157,179</u>	<u>122,349</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment senior debt	(7,000)	(7,000)
Dividends paid		(40,000)
Net cash used in financing activities	<u>(7,000)</u>	<u>(47,000)</u>
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed asset - net	<u>(3,451)</u>	<u>(4,344)</u>
NET POSITIVE CASH FLOW FOR THE PERIOD	146,728	71,005
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>219,033</u>	<u>3,476</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>365,761</u></u>	<u><u>74,481</u></u>

The accompanying notes are an integral part of these financial statements

## MINERA EL TESORO

### NOTES TO THE FINANCIAL STATEMENTS

(In thousands of US dollars – ThUS\$)

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#### 1. INCORPORATION OF THE COMPANY

The Company was incorporated as a contractual mining company by means of a public deed dated June 20, 1996. The corporate purpose of the Company is the exploration, development and exploitation of mining properties, comprising all stages involved in the mining industry. The Company started its exploitation stage on July 1, 2001.

According to the requirements of Law 20,026 on the Specific Mining Tax published in the Official Gazette of 16/06/2005, and the relevant regulations issued by the Superintendence of Securities and Insurance through its Exempt Resolutions 549 of 23/09/2005 and 39 of 3/02/2006, the Company shall deliver its Audited Quarterly and Annual Financial Statements, and an Annual Report, to the SVS, in the manner and at the time stipulated in such Resolutions.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

**a. Bases of presentation** - The financial statements for the six-month periods ended June 30, 2007 and 2006 have been prepared in accordance with accounting principles generally accepted in Chile.

**b. Accounting period** – The attached interim financial statements referred to in these notes are for the period from January 1 to June 30, 2007 and 2006.

**c. Basis of preparation** - The official accounting records of the Company are maintained in US dollars.

Transactions in Chilean pesos have been translated into US dollars at the exchange rates prevailing on the date of the transaction. Assets and liabilities in Chilean pesos outstanding at the end of the period were translated into US dollars at the observed exchange rate published by the Chilean Central Bank of \$526.86 per US\$1 in 2007 (\$539.44 per US\$1 in 2006).

**d. Time deposits** - Investments in time deposits include capital plus readjustment and interest accrued at period-end.

**e. Marketable securities** – Marketable securities include investments in debt instruments registered in the United States, in US dollars. The portfolios average maturity is less than 90 days and they are valued at their market value.

**f. Inventories** - Inventories of semi-finished products, ore in stockpile, and finished products are stated at monthly average production cost, including indirect manufacturing costs. Materials are stated at weighted average acquisition cost.

These valuations do not exceed the respective net realizable values.

**g. Fixed assets** - Tangible fixed assets are presented at acquisition cost. Depreciation has been calculated based on the straight-line method, over the lower of the estimated mine life or the useful lives of the assets.

Fixed assets acquired by the Company through capital lease transactions, are accounted for as a purchase of fixed assets, recognizing the total obligation and interest on the accrual basis. Such assets are not legally owned by the Company until it exercises the purchase option.

Mining properties are presented at acquisition cost and are amortized based on mineral production.

**h. Mine development costs** - These assets are presented at acquisition cost or at mine development cost and include concepts such as consulting services, exploratory drilling, research and engineering, which are amortized based on mineral production.

**i. Deferred cost** - The Company capitalizes expenses associated with the refinancing of financial obligations, recording them as deferred costs in Other long-term assets. These costs are being amortized under the straight-line method over the term of the debt. Previous year refinancing expenses are charged to income, whenever a new refinancing is agreed.

**j. Income tax and deferred taxes** - The Company calculates its liabilities for First Category income tax and specific mining tax based on the net taxable income and operating taxable income, respectively, determined in accordance with current regulations. The effects of deferred taxes on temporary differences, tax losses and other events giving rise to differences between the accounting and tax base of assets and liabilities are recorded according to standards established in Technical Bulletins N°60 and their complements of the Chilean Institute of Accountants.

**k. Derivative contracts** - The Company has entered into an interest rate collar contract to hedge against variations in the Libor rate on its senior debt. It has also entered into copper forward contracts and Min-Max zero cost operations, which were defined as hedges of transactions to cover changes in the price of copper. As these contracts were defined as coverage of expected transactions, the unrealized result at the end of the periods has been deferred, as established by Technical Bulletin N°57 of the Chilean Institute of Accountants (Note 12).

**l. Vacations** - The cost of employee vacations is recognized on the accrual basis.

**m. Severance indemnity** - Severance indemnity, including the benefit contracted as well as the non-contractual benefit resulting from mine closure, has been accrued for all employees. This benefit has been calculated at the net present value of the projected cost of the benefit, using an annual discount rate of 6.5%.

**n. Mine closure** - The Company accrues the costs of mine closure and abandonment at the net present value in conformity with corporate standards and considering legal environmental obligations entered into with government bodies, and these are presented in long-term liabilities.

**o. Statement of cash flows** - In the statement of cash flows, the Company has considered as cash equivalent all readily disposable financial investments maturing within 90 days, including time deposits and marketable securities.

**p. Revenues** - Revenue from the sale of cathodes is recognized when the rights and obligations are transferred to the buyer.

**q. Reclassifications** – Some reclassifications have been made to the financial statements at June 30, 2006 to maintain their uniformity.

### 3. TIME DEPOSITS

This item includes time deposits as follows:

#### Time deposits

	Currency	June 30, 2007 ThUS\$	June 30, 2006 ThUS\$
Time deposits overseas	US\$	30,686	64,294
Local financial investments	\$	4,633	
	US\$	<u>25,018</u>	<u>10,027</u>
Total time deposits		<u><u>60,337</u></u>	<u><u>74,321</u></u>

### 4. MARKETABLE SECURITIES

The detail of investments in marketable securities is as follows:

	June 30, 2007 ThUS\$	June 30, 2006 ThUS\$
Asset manager Deutsche	150,577	
Asset manager Blackrock	<u>153,460</u>	
Total	<u><u>304,037</u></u>	<u><u>-</u></u>

5. TRADE DEBTORS

The split of this balance by geographical destination is follows:

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
<b>Foreign clients:</b>		
Europe	32,332	30,550
Latin America	14,712	5,782
Asia Pacific	9,306	6,026
North America	3,953	3,116
	<hr/>	<hr/>
Total foreign clients	60,303	45,474
	<hr/>	<hr/>
<b>Domestic clients:</b>	1,498	464
	<hr/>	<hr/>
Total	61,801	45,938
	<hr/> <hr/>	<hr/> <hr/>

6. INVENTORIES

Inventories of the Company are as follows:

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
Finished products	7,031	6,018
Products in process	25,712	33,133
Materials, raw materials and parts	8,986	7,114
	<hr/>	<hr/>
Total	41,729	46,265
	<hr/> <hr/>	<hr/> <hr/>

## 7. FIXED ASSETS

Fixed assets are stated as mentioned in Note 2g and their detail is as follows:

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
Land	301	301
Mining properties	46,529	46,529
<b>Construction and infrastructure</b>		
Facilities	85,723	83,213
Buildings and construction	27,860	28,616
Infrastructure	33,578	33,446
Total buildings and infrastructure	147,161	145,275
<b>Machinery and equipment:</b>		
Machinery and equipment	54,309	53,234
Mobile equipment	64,687	57,472
Minor equipment	4,327	4,085
Auxiliary equipment	826	678
Total machinery and equipment	124,149	115,469
<b>Other fixed assets:</b>		
Equipment	9,659	9,494
Computer equipment, software and hardware	892	891
Furniture	60	60
Leased assets	353	353
Construction in progress	1,988	57
Ongoing projects	5,861	5,856
Preoperating expenses	10,879	10,879
Total other fixed assets	29,692	27,590
Total fixed assets, gross	347,832	335,164
Total accumulated depreciation	(97,826)	(74,277)
Total fixed assets, net	250,006	260,887

8. MINE DEVELOPMENT COSTS - NET

As described in Note 2h, development costs mainly includes preoperational costs incurred prior to the operation, as follows:

	<b>June 30, 2007</b>	<b>June 30, 2006</b>
	ThUS\$	ThUS\$
<b>Development costs:</b>		
Project expenses	55,057	55,057
Financing	23,830	23,830
Development expenses property contribution	15,713	15,713
Preinvestment expenses	7,560	7,560
	<u>102,160</u>	<u>102,160</u>
Total development costs, gross	<u>102,160</u>	<u>102,160</u>
Accumulated amortization	<u>(63,085)</u>	<u>(50,897)</u>
Total development costs, net	<u><u>39,075</u></u>	<u><u>51,263</u></u>

9. BANKS LOANS - SENIOR DEBT

The balance is as follows:

<b>Financial institution</b>	<b>Interest</b>	<b>June 30, 2007</b>		<b>June 30, 2006</b>	
		<b>Short term</b>	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
The Royal Bank of Scotland - BBVA	LIBOR+0,4%	14,051	7,000	28,128	21,000
Total		<u>14,051</u>	<u>7,000</u>	<u>28,128</u>	<u>21,000</u>

The senior debt has semi-annual maturity dates, ending December 2008.

## 10. ACCRUALS AND WITHHOLDINGS

This detail of this item is as follows:

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
<b>Short-term:</b>		
Operations	26,081	23,368
Freight, insurance, export commissions	566	625
	<hr/>	<hr/>
Subtotal accruals	26,647	23,993
Withholdings	859	4,179
	<hr/>	<hr/>
Total short-term	<u>27,506</u>	<u>28,172</u>
<b>Long-term:</b>		
Severance indemnity	4,015	3,343
Mine closure	2,966	2,705
	<hr/>	<hr/>
Total long-term	<u>6,981</u>	<u>6,048</u>

## 11. INCOME TAX AND DEFERRED TAXES

The balance of recoverable taxes is as follows:

	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
<b>Current assets:</b>		
VAT Credit (net)	2,950	2,793
Others	744	426
	<hr/>	<hr/>
Total short-term	<u>3,694</u>	<u>3,219</u>
<b>Other assets:</b>		
Additional tax for technical advisory services	1,003	980
Long-term tax credits	215	237
	<hr/>	<hr/>
Total long-term	<u>1,218</u>	<u>1,217</u>

The long-term tax recoverable is included in Others under Other long-term assets.

### a. Income tax and deferred taxes

At June 30, 2007, the Company provided for first category income tax based on the net taxable income of ThUS\$195,688 (ThUS\$154,424 in 2006), as determined in accordance with the Chilean Income Tax Law. The specific mining tax provision was calculated based on the Operational Taxable Income of ThUS\$197,700 (ThUS\$166,345 in 2006).

The income tax and specific mining tax provisions are classified as income tax payable under current liabilities net of monthly provisional payments and other credits.

	June 30, 2007 ThUS\$	June 30, 2006 ThUS\$
Income tax provision for the period	33,267	26,252
Specific mining tax provision	3,954	3,319
Monthly estimated payments	(21,938)	(15,100)
Monthly estimated payments - Specific mining tax	(4,456)	(862)
Other credits	(15)	
	<u>10,812</u>	<u>13,609</u>
Total income tax payable	<u>10,812</u>	<u>13,609</u>

### b. Deferred taxes

The detail of accumulated balances at June 30, 2007 and 2006 of deferred tax assets and liabilities is as follows:

	June 30, 2007				June 30, 2006			
	Assets		Liabilities		Assets		Liabilities	
	Short term ThUS\$	Long term ThUS\$	Short term ThUS\$	Long term ThUS\$	Short term ThUS\$	Long term ThUS\$	Short term ThUS\$	Long term ThUS\$
<b>Temporary differences</b>								
Vacation accrual	125				132			
Bonus accrual	125				128			
Severance indemnity		379				420		
Accrual for mine closure, net		356				296		
Major repair accrual		1,494				1,325		
Accruals and others	84			69		107	64	
Indirect manufacturing costs			674				976	
Fixed assets				23,290				18,670
Preoperating expenses				11,628				13,112
Specific mining tax		524	56			1,038	58	
Balance at June 30	<u>334</u>	<u>2,753</u>	<u>730</u>	<u>34,987</u>	<u>260</u>	<u>3,186</u>	<u>1,098</u>	<u>31,782</u>

The net balances of short-term deferred taxes of ThUS\$396 (ThUS\$838 in 2006), and long-term deferred taxes of ThUS\$32,234 (MUS\$28,596 in 2006), are presented in current liabilities and long-term liabilities, respectively.

The charge to income for income tax for the period is as follows:

	<b>June 30, 2007</b>	<b>June 30, 2006</b>
	ThUS\$	ThUS\$
<b>Current tax expense:</b>		
Income tax	32,108	26,252
Specific mining tax	3,743	3,320
<b>Deferred taxes:</b>		
Changes in deferred taxes	<u>420</u>	<u>1,594</u>
Total	<u><u>36,271</u></u>	<u><u>31,166</u></u>

## 12. INTEREST RATE COLLAR AND COPPER PRICE CONTRACTS

### a. Zero cost collar interest rate contract

An interest rate hedge on the senior debt was taken out with The Royal Bank of Scotland plc. for ThUS\$20,000, via a “Zero cost collar” with a ceiling of 6% and floor of 4.83% for the period from August 15, 2001 to December 15, 2006.

As a result of the refinancing of the senior debt, this operation was terminated cost-free on December 30, 2004, and a collar was signed simultaneously with The Royal Bank of Scotland plc. - BBVA, with the same ceiling and floor, but with determination of interest and payment of compensation coinciding with the dates for payment of interest on the refinanced senior debt, maturing on December 15, 2006. This operation cost ThUS\$192, which is equivalent to the compensation that the Company should have paid on February 15, 2005 under the hedge that was terminated and an initial hedge payment of ThUS\$15,500. At June 30, 2007, the above hedge has been terminated.

### b. Copper Price futures contracts

In 2006, various contracts for future COMEX price base sales and future LME price base purchases were signed for 5,000 tons. The above tonnage corresponds to the sale contract with the Southwire client in the United States, whose price is referenced to the COMEX price, but which the Company references to the LME price through this arbitrage.

**Open operations at June 30, 2007:**

Product	Institution	Date		Quantity MT	Price of the transaction	
		Subscription	Maturity		Sale of Futures Comex US\$/Ton	Purchase of Futures LME US\$/Ton
Copper	Koch	16-11-2006	04-02-2008	1,400	6,690	6,670
Copper	Koch	05-12-2006	04-02-2008	700	7,120	7,110
Copper	Koch	05-12-2006	04-02-2008	700	7,115	7,100
Copper	Prudential	14-12-2006	04-02-2008	700	6,815	6,800

The contracts entered into in 2006 are 400 and 100 metric tons of copper per month for Koch and Prudential, respectively, from April 2007.

### c. Options

In April 2007 the Company entered into min-max options to hedge 2,800 tons per month in 2007, 2,700 tons in 2008 and 2,300 tons in 2009, LME base price.

#### Operations at June 30, 2007:

Product	Institution	Date		Quantity MT	Options	
		Subscription	Annual Maturity		Put US\$/Ton	Call US\$/Ton
<b>2007</b>						
Copper	J. Aron & Co.	11-04-2007	31-12-2007	1,800	6,460	9,280
Copper	JP Morgan	12-04-2007	31-12-2007	1,800	6,460	9,240
Copper	Morgan Stanley	05-04-2007	31-12-2007	3,600	6,240	8,625
Copper	JP Morgan	17-04-2007	31-12-2007	1,800	6,460	9,700
Copper	Koch	17-04-2007	31-12-2007	1,500	6,615	9,350
Copper	Calyon	18-04-2007	31-12-2007	1,500	6,615	9,450
Copper	Bache	20-04-2007	31-12-2007	1,800	6,615	9,425
Copper	Bache	23-04-2007	31-12-2007	1,500	6,615	9,450
Copper	Calyon	23-04-2007	31-12-2007	1,500	6,615	9,500
				<b>16,800</b>		
<b>2008</b>						
Copper	J. Aron & Co.	11-04-2007	31-12-2008	3,900	5,735	8,850
Copper	JP Morgan	12-04-2007	31-12-2008	3,900	5,735	8,810
Copper	Morgan Stanley	05-04-2007	31-12-2008	7,800	5,515	8,400
Copper	J. Aron & Co.	17-04-2007	31-12-2008	4,500	5,735	9,370
Copper	Calyon	17-04-2007	31-12-2008	2,400	6,285	8,500
Copper	Koch	18-04-2007	31-12-2008	2,400	6,285	8,510
Copper	BNP Paribas	20-04-2007	31-12-2008	3,600	6,285	8,550
Copper	Calyon	23-04-2007	31-12-2008	3,900	6,285	8,560
				<b>32,400</b>		
<b>2009</b>						
Copper	J. Aron & Co.	11-04-2007	31-12-2009	3,600	5,735	8,850
Copper	JP Morgan	12-04-2007	31-12-2009	3,600	5,735	8,810
Copper	BNP Paribas	05-04-2007	31-12-2009	7,200	5,515	8,400
Copper	J. Aron & Co.	17-04-2007	31-12-2009	3,600	5,735	9,370
Copper	J. Aron & Co.	17-04-2007	31-12-2009	3,600	6,285	8,500
Copper	JP Morgan	23-04-2007	31-12-2009	3,000	6,285	8,560
Copper	Triland Metals	02-05-2007	31-12-2009	3,000	5,295	8,245
				<b>27,600</b>		

13. SHAREHOLDERS' EQUITY

a. The changes in shareholders' equity were as follows:

	<b>Paid-in capital</b> ThUS\$	<b>Retained earnings</b> ThUS\$	<b>Net income for the period</b> ThUS\$	<b>Total shareholders' equity</b> ThUS\$
Balance at January 1, 2006	90,995	18,628	153,814	263,437
Transfer of income		153,814	(153,814)	
Final dividend		(95,000)		(95,000)
Net income for the period			137,420	137,420
Balance at June 30, 2006	<u>90,995</u>	<u>77,442</u>	<u>137,420</u>	<u>305,857</u>
Balance at January 1, 2007	90,995	77,442	323,697	492,134
Transfer of income		323,697	(323,697)	
Net income for the period			165,659	165,659
Balance at June 30, 2007	<u>90,995</u>	<u>401,139</u>	<u>165,659</u>	<u>657,793</u>

b. At June 30, 2007 and 2006, the paid-in capital of the Company is represented by 90,994 no-par value shares. The equity ownership is as follows:

	<b>N° of shares</b>	<b>Ownership %</b>
Antofagasta Minerals S.A.	55,506	61
Compañía Contractual Minera Leonor	<u>35,488</u>	<u>39</u>
Total	<u>90,994</u>	<u>100</u>

14. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Accounts receivable – Short-term

<b>Company</b>	<b>Relationship</b>	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
Antofagasta Minerals S.A.	Parent	21	
Minera Michilla S.A.	Indirect	<u>1,962</u>	<u>          </u>
Total		<u>1,983</u>	<u>-</u>

**b. Accounts payable - Short-term:**

<b>Company</b>	<b>Relationship</b>	<b>June 30, 2007</b> ThUS\$	<b>June 30, 2006</b> ThUS\$
Antofagasta Minerals S.A.	Parent	36	91
Minera Michilla S.A.	Indirect		252
Minera los Pelambres	Indirect		17
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	914	1,536
<b>Total</b>		<b>950</b>	<b>1,896</b>

The balances arise from commercial transactions and do not accrue interest or indexation.

**c. Transactions with related parties**

Significant transactions with related parties up to the first quarter of 2007 and 2006 are the following:

<b>Company</b>	<b>Relationship</b>	<b>Transaction</b>	<b>June 30, 2007</b>		<b>June 30, 2006</b>	
			<b>Amount of the transaction</b> ThUS\$	<b>Effect on income charge (credit)</b> ThUS\$	<b>Amount of the transaction</b> ThUS\$	<b>Effect on income charge (credit)</b> ThUS\$
Antofagasta Minerals S.A.	Parent	Administrative services	1,094	1,094	966	966
		Reimbursement of expenses	33		64	
		Final dividends			57,950	
		AMSA project services	97	(49)	83	(42)
Compañía Contractural Minera Leonor	Shareholder	Royalty	6,300	6,300	4,568	4,568
		Final dividends			37,050	
Minera Michilla S.A.	Indirect	Purchase of supplies	235	235	129	129
		Sale of supplies	2,151			
		Lease of terminal	664	664		
		Miscellaneous	1			
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	Transportation	4,158	4,158	2,943	2,943
		Purchase of water			248	248
		Miscellaneous	19	19	3	3
Minera Los Pelambres	Indirect	Outsourcing services	90	90	83	83
Entel S.A.	Indirect	Telecommunication services	43	43	118	118
Banco de Chile	Indirect	Bank expenses	13	13	17	17
		Loans	43,801	(199)	9,712	(30)
Artikos	Indirect	Administrative services	12	12	17	17
Adriático	Indirect	Office rental	41	41	41	41
Madeco	Indirect	Supplies	60	60		
Other related	Indirect	Sundry expenses	3	3	4	4

15. OTHER INCOME AND EXPENSES

At June 30, the detail is as follows:

	<b>June 30, 2007 ThUS\$</b>	<b>June 30, 2006 ThUS\$</b>
<b>Other income:</b>		
Sale of supplies	<u>14</u>	<u>39</u>
Total	<u><u>14</u></u>	<u><u>39</u></u>
<b>Other expenses:</b>		
Write-off of fixed assets	1,171	918
Others	<u>379</u>	<u>          </u>
Total	<u><u>1,550</u></u>	<u><u>918</u></u>

16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

- a. The Company has deposits in guarantee for ThUS\$30 in favor of the First Civil Court of Antofagasta. This court proceeding has ended, with the granting of definitive easements.
- b. The Company has a dispute with the Internal Revenue Service for the refund of additional tax for outside advisory services for ThUS\$1,003, case number 7889-2004, which is in the second instance in the court of appeal. It also has a dispute for a ThUS\$31 reimbursement, where the Court, on appeal, annulled the proceedings based on the illegality of the designation and consequent incompetence of Tax Judge, these will return to the court of first instance.
- c. As part of its normal operating process, the Company entered into purchase contracts with suppliers to guarantee the supply of consumables.

17. SUBSEQUENT EVENTS

Between July 1, 2007, and August 29, the date of issue of these financial statements, there have been no subsequent events that could significantly affect the balances or interpretation of these financial statements.

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