

MINERA EL TESORO
UNAUDITED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008 AND 2007

(TRANSLATION FROM SPANISH VERSION
FILED WITH SUPERINTENDENCIA DE VALORES Y SEGUROS
DE CHILE 27TH NOVEMBER 2008)

MINERA EL TESORO

BALANCE SHEETS AT SEPTEMBER 30, 2008 AND 2007
(In thousands of US Dollars - ThUS\$)

ASSETS	2008 ThUS\$	2007 ThUS\$
CURRENT ASSETS:		
Cash at banks and in hand	192	160
Time deposits	200,875	39,535
Marketable securities		426,274
Trade debtors	47,654	61,851
Accounts receivable from related companies	90,146	156
Sundry debtors	9,024	5,645
Inventories	41,467	37,360
Recoverable taxes	7,045	4,063
Prepaid expenses	5,411	2,321
Other current assets	4,771	32
Total current assets	<u>406,585</u>	<u>577,397</u>
FIXED ASSETS:		
Land	301	301
Mining properties	241,529	46,529
Construction and infrastructure	155,565	147,667
Machinery and equipment	144,974	124,235
Other fixed assets	112,764	34,424
Subtotal	655,133	353,156
Less: Accumulated depreciation	<u>(127,121)</u>	<u>(103,250)</u>
Total fixed assets	<u>528,012</u>	<u>249,906</u>
OTHER ASSETS:		
Mine development costs - net	23,717	35,953
Others	23,281	6,750
Total other assets	<u>46,998</u>	<u>42,703</u>
TOTAL ASSETS	<u><u>981,595</u></u>	<u><u>870,006</u></u>

The accompanying notes are an integral part of these financial statements

LIABILITIES AND SHAREHOLDERS' EQUITY	2008 ThUS\$	2007 ThUS\$
CURRENT LIABILITIES:		
Bank loans - senior debt, current portion		14,366
Accounts payable	28,794	11,737
Leasing obligations		61
Accounts payable to related companies	1,762	1,596
Sundry creditors	4,713	
Accruals and withholdings	33,414	35,446
Income tax payable	2,821	2,780
Deferred taxes	13	580
	<u>71,517</u>	<u>66,566</u>
Total current liabilities		
LONG-TERM LIABILITIES:		
Bank loans - senior debt		7,000
Sundry creditors	10,604	
Accruals	8,920	7,594
Deferred taxes	35,855	32,381
	<u>55,379</u>	<u>46,975</u>
Total long-term liabilities		
SHAREHOLDERS' EQUITY:		
Paid-in capital	90,995	90,995
Retained earnings	511,677	401,139
Net income for the period	252,027	264,331
	<u>854,699</u>	<u>756,465</u>
Total shareholders' equity		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>981,595</u></u>	<u><u>870,006</u></u>

MINERA EL TESORO

STATEMENTS OF INCOME
FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007
(In thousands of US Dollars - ThUS\$)

	2008 ThUS\$	2007 ThUS\$
REVENUES	556,099	517,484
COST OF SALES	<u>(223,058)</u>	<u>(183,353)</u>
GROSS MARGIN	333,041	334,131
ADMINISTRATIVE AND SELLING EXPENSES	<u>(27,217)</u>	<u>(22,122)</u>
OPERATING INCOME	<u>305,824</u>	<u>312,009</u>
OTHER INCOME (EXPENSES):		
Financial income	12,549	13,607
Other income	1,805	513
Exchange differences	1,145	(912)
Financial expenses	(825)	(2,198)
Other expenses	<u>(827)</u>	<u>(1,640)</u>
Other income - net	<u>13,847</u>	<u>9,370</u>
INCOME BEFORE INCOME TAX	319,671	321,379
INCOME TAX	<u>(67,644)</u>	<u>(57,048)</u>
NET INCOME FOR THE PERIOD	<u><u>252,027</u></u>	<u><u>264,331</u></u>

The accompanying notes are an integral part of these financial statement

MINERA EL TESORO

STATEMENTS OF CASH FLOWS

FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 30, 2008 AND 2007

(In thousands of US Dollars - ThUS\$)

	2008	2007
	ThUS\$	ThUS\$
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income for the period	252,027	264,331
Charges (credits) to income which do not represent cash flows:		
Depreciation and amortization	25,259	29,787
Deferred taxes	1,448	751
Exchange differences	(1,145)	912
Project write-offs	3,856	1,299
(Increase) decrease in assets which affect cash flows:		
Trade debtors	7,940	(13,471)
Sundry debtors and others	(3,651)	(1,979)
Inventories	(4,486)	12,053
Recoverable taxes	(2,655)	(1,589)
Other assets	(16,425)	(2,702)
Increase (decrease) in liabilities which affect cash flows:		
Accounts payable	17,809	2,629
Accounts payable to related companies - net	(90,088)	534
Income tax payable	(838)	(25,191)
Other liabilities	6,731	(4,622)
Net cash provided by operating activities	<u>195,782</u>	<u>262,742</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment senior debt	(14,000)	(7,000)
Payment of dividends	(228,973)	
Net cash used in financing activities	<u>(242,973)</u>	<u>(7,000)</u>
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed asset - net	(33,272)	(8,806)
Incorporation of development costs, net	(52,212)	
Incorporation of mining properties, water rights	(200,510)	
Net cash used in investment activities	<u>(285,994)</u>	<u>(8,806)</u>
NET (NEGATIVE) POSITIVE CASH FLOW FOR THE PERIOD	(333,185)	246,936
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>534,252</u>	<u>219,033</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>201,067</u></u>	<u><u>465,969</u></u>

The accompanying notes are an integral part of these financial statements

MINERA EL TESORO

NOTES TO THE FINANCIAL STATEMENTS

(In thousand of US dollars - ThUS\$)

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 June 16, 2005, and the relevant regulations issued by the Superintendence of Securities and Insurance (“SVS”) through its Exempt Resolutions 549 of September 23, 2005 and N° 39 of February 3, 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 POLICIES

a. Basis of presentation - The financial statements at September 30, 2008 and 2007 have been prepared in accordance with accounting principles generally accepted in Chile.

b. Accounting period - The attached interim financial statements, related to these notes, correspond to the periods between January 1 and September 30, 2008 and 2007.

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 \$551.31 per US\$1 in 2008 (\$511.23 per US\$1 in 2007).

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 and, thus, it cannot dispose of them until it exercises the purchasing 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 - For comparative purposes, certain reclassifications have been made in the financial statements at September 30, 2007.

3. TIME DEPOSITS

This item includes time deposits as follows:

	Currency	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Time deposits overseas	US\$	20,060	
Local financial investments	Ch\$	8,345	
	US\$	172,470	39,535
Total time deposits		200,875	39,535

4. MARKETABLE SECURITIES

The detail of investments in marketable securities is as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Asset manager Deutsche		213,138
Asset manager Blackrock		213,136
Total	-	426,274

5. TRADE DEBTORS

The split of this balance by geographical destination is as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Foreign clients:		
Europe	20,492	28,740
Latin America	8,652	18,528
Asia Pacific	6,828	5,812
North America	5,508	7,966
	<hr/>	<hr/>
Total foreign clients	41,480	61,046
	<hr/>	<hr/>
Domestic clients:	6,174	805
	<hr/>	<hr/>
Total	47,654	61,851
	<hr/> <hr/>	<hr/> <hr/>

6. INVENTORIES

Inventories of the Company are as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Finished products	4,596	5,955
Products in process	22,985	27,195
Materials, raw materials and parts	13,886	4,210
	<hr/>	<hr/>
Total	41,467	37,360
	<hr/> <hr/>	<hr/> <hr/>

7. FIXED ASSETS

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

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Land	<u>301</u>	<u>301</u>
Mining properties	<u>241,529</u>	<u>46,529</u>
Construction and infrastructure:		
Facilities	93,251	86,229
Buildings and construction	28,737	27,860
Infrastructure	<u>33,577</u>	<u>33,578</u>
Total buildings and infrastructure	<u>155,565</u>	<u>147,667</u>
Machinery and equipment:		
Machinery and equipment	55,713	54,343
Mobile equipment	84,015	64,687
Minor equipment	4,368	4,327
Auxiliary equipment	<u>878</u>	<u>878</u>
Total machinery and equipment	<u>144,974</u>	<u>124,235</u>
Other fixed assets:		
Equipment	10,262	9,744
Computer equipment, software and hardware	892	892
Furniture	87	60
Leased assets		353
Construction in progress	1,290	2,553
Ongoing projects	89,354	9,943
Preoperating expenses	<u>10,879</u>	<u>10,879</u>
Total other fixed assets	<u>112,764</u>	<u>34,424</u>
Total fixed assets, gross	<u>655,133</u>	<u>353,156</u>
Total accumulated depreciation	<u>(127,121)</u>	<u>(103,250)</u>
Total fixed assets, net	<u>528,012</u>	<u>249,906</u>

8. MINE DEVELOPMENT COSTS - NET

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

	September 30, 2008	September 30, 2007
	ThUS\$	ThUS\$
Mine development costs:		
Project expenses	55,057	55,057
Financing	23,830	23,830
Development expenses property contribution	15,713	15,713
Preinvestment expenses	<u>7,560</u>	<u>7,560</u>
Total mine development costs, gross	<u>102,160</u>	<u>102,160</u>
Accumulated amortization	<u>(78,443)</u>	<u>(66,207)</u>
Total mine development costs, net	<u><u>23,717</u></u>	<u><u>35,953</u></u>

9. BANKS LOANS - SENIOR DEBT

The balance is as follows:

Financial institution	Interest	September 30, 2008		September 30, 2007	
		Short term ThUS\$	Long term ThUS\$	Short term ThUS\$	Long term ThUS\$
The Royal Bank of Scotland - BBVA LIBOR+0,5%		<u> </u>	<u> </u>	<u>14,366</u>	<u>7,000</u>
Total		<u>-</u>	<u>-</u>	<u><u>14,366</u></u>	<u><u>7,000</u></u>

In 2007, the senior debt had half-yearly maturities terminating in December 2008. On February 28, 2008, Minera El Tesoro prepaid the total senior debt.

10. ACCRUALS AND WITHHOLDINGS

This detail of this item is as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Short-term:		
Operations	27,854	26,783
Freight, insurance, export commissions	<u>466</u>	<u>458</u>
Subtotal accruals	28,320	27,241
Withholdings	<u>5,094</u>	<u>8,205</u>
Total short-term	<u><u>33,414</u></u>	<u><u>35,446</u></u>
Long-term:		
Severance indemnity	5,606	4,562
Mine closure	<u>3,314</u>	<u>3,032</u>
Total long-term	<u><u>8,920</u></u>	<u><u>7,594</u></u>

11. INCOME TAX AND DEFERRED TAXES

The balance of recoverable taxes is as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Current assets:		
VAT Credit (net)	6,379	3,245
Others	<u>666</u>	<u>818</u>
Total short-term	<u><u>7,045</u></u>	<u><u>4,063</u></u>
Other assets:		
Additional tax for technical advisory services	959	991
Long-term tax credits	<u>683</u>	<u>215</u>
Total long-term	<u><u>1,642</u></u>	<u><u>1,206</u></u>

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

a. Income tax and deferred taxes

At September 30, 2008, the Company provided for first category income tax based on the net taxable income of ThUS\$278,524 (ThUS\$310,888 in 2007), 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\$282,275 (ThUS\$313,350 in 2007).

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.

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Income tax provision for the period	47,349	52,851
Specific mining tax provision	11,291	6,267
Monthly provisional payments	(44,187)	(44,960)
Monthly estimated payments - Specific mining tax	(11,414)	(11,170)
Other credits	(218)	(208)
	<u>2,821</u>	<u>2,780</u>

b. Deferred taxes

The detail of accumulated balances at September 30, 2008 and 2007 of deferred tax assets and liabilities is as follows:

	September 30, 2008				September 30, 2007			
	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\$
Temporary differences								
Vacation accrual	280				235			
Bonus accrual	282				202			
Severance indemnity		509				467		
Accrual for mine closure, net		434				371		
Accrual for mayor repairs						1,485		
Accruals and others	412	97				89	286	
Indirect manufacturing costs			962				731	
Fixed assets				26,974				24,036
Preoperating expenses				9,752				11,249
Specific mining tax			25	169		492		
Balance at September 30	<u>974</u>	<u>1,040</u>	<u>987</u>	<u>36,895</u>	<u>437</u>	<u>2,904</u>	<u>1,017</u>	<u>35,285</u>

The net balances of short-term deferred taxes for ThUS\$13 (ThUS\$580 in 2007), and long-term deferred taxes for ThUS\$35,855 (ThUS\$32,381 in 2007), are presented in current liabilities and long-term liabilities, respectively.

c. Income Tax

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

	September 30, 2008	September 30, 2007
	ThUS\$	ThUS\$
Current tax expense:		
Income tax	47,349	52,851
Surplus prior year provision	(829)	(829)
Specific mining tax	11,291	6,267
Surplus prior year provision	(171)	(171)
Exchange differences	8,581	(1,821)
Deferred taxes:		
Changes in deferred taxes	<u>1,423</u>	<u>751</u>
Total	<u><u>67,644</u></u>	<u><u>57,048</u></u>

12. COPPER PRICE FUTURES CONTRACTS

a. Copper Price futures contracts

In 2007 and 2008, various contracts for future COMEX price base sales and future LME price base purchases were entered into for 6,000 and 3000 tons, respectively. The above tonnage corresponds to the sale contract with the client Southwire 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 September 30, 2008:

Product	Institution	Date		Quantity MT	Price of the transaction	
		Subscription	Maturity		Sale of Futures Comex US\$/Ton	Purchase of Futures LME US\$/Ton
2008						
Copper	Koch	05-10-2007	03-02-2009	2,000	7,975	7,950
				<u>2,000</u>		
2009						
Copper	Calyon	19-06-2008	02-02-2010	3,000	8,003	7,966
Copper	Calyon	26-06-2008	02-02-2010	3,000	8,157	8,117
				<u><u>6,000</u></u>		

The contracts entered into in 2007 are 500 metric tons of copper per month for Koch, from February 2008.

The contracts entered into in 2008 are 500 metric tons of copper per month for Calyon, from February 2009.

b. Options

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

Open operations at September 30, 2008:

Product	Institution	Date		Remaining Quantity MT	Options	
		Suscription	Annual Maturity		Put US\$/Ton	Call US\$/Ton
2008						
Copper	J. Aron & Co.	11-04-2007	31-12-2008	975	5,735	8,850
Copper	JP Morgan	12-04-2007	31-12-2008	975	5,735	8,810
Copper	Morgan Stanley	05-04-2007	31-12-2008	1,950	5,515	8,400
Copper	J. Aron & Co.	17-04-2007	31-12-2008	1,125	5,735	9,370
Copper	Calyon	17-04-2007	31-12-2008	600	6,285	8,500
Copper	Koch	18-04-2007	31-12-2008	600	6,285	8,510
Copper	BNP Paribas	20-04-2007	31-12-2008	900	6,285	8,550
Copper	Calyon	23-04-2007	31-12-2008	975	6,285	8,560
				8,100		
2009						
Copper	J. Aron & Co.	11-04-2007	31-12-2009	3,600	4,850	8,310
Copper	JP Morgan	12-04-2007	31-12-2009	3,600	4,850	8,270
Copper	BNP Paribas	05-04-2007	31-12-2009	7,200	4,630	8,270
Copper	J. Aron & Co.	17-04-2007	31-12-2009	3,600	4,850	8,735
Copper	J. Aron & Co.	17-04-2007	31-12-2009	3,600	5,295	7,940
Copper	JP Morgan	23-04-2007	31-12-2009	3,000	5,295	7,950
Copper	Triland Metals	02-05-2007	31-12-2009	3,000	5,295	8,245
				27,600		

13. SHAREHOLDERS' EQUITY

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

	Paid-in capital ThUS\$	Retained earnings ThUS\$	Net income for the period ThUS\$	Total shareholders' equity ThUS\$
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			264,331	264,331
Balance at September 30, 2007	90,995	401,139	264,331	756,465
Balance at January 1, 2008	90,995	401,139	339,511	831,645
Transfer of income		339,511	(339,511)	
Dividends		(228,973)		(228,973)
Net income for the period			252,027	252,027
Balance at September 30, 2008	90,995	511,677	252,027	854,699

b. In extraordinary Shareholders Meeting held on July 24, 2008, it was unanimously agreed to distribute final dividends of US\$228,973,420.00, at the rate of US\$2,516.36, which was paid to the shareholders from July 25, 2008 onward.

c. At September 30, 2008, the paid-in capital of the Company is represented by 90,994 no-par value shares. The equity ownership is as follows:

	N° of shares	Ownership %
Antofagasta Minerals S.A.	28,208	31
Compañía Contractual Minera Leonor	35,488	39
Sierra Gorda Mining Investment BV	27,298	30
Total	90,994	100

On August 20, 2008, Antofagasta Minerals S.A. sold 27,298.314 shares to Sierra Gorda Mining Investment BV.

14. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

a. Accounts receivable - short-term

Company	Relationship	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Antofagasta Minerals S.A.	Parent	19	38
Minera Esperanza	Indirect	90,086	
Minera Michilla S.A.	Indirect	41	118
		<u> </u>	<u> </u>
Total		<u>90,146</u>	<u>156</u>

b. Accounts payable - Short-term:

Company	Relationship	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Antofagasta Minerals S.A.	Parent	222	212
Minera Michilla S.A.	Indirect	447	278
Minera los Pelambres	Indirect	16	
Aguas de Antofagasta S.A.	Indirect	72	72
Transportes Integrados S.A.	Indirect		8
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	1,005	1,026
		<u> </u>	<u> </u>
Total		<u>1,762</u>	<u>1,596</u>

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

c. Transactions with related parties

Significant transactions with related parties during the nine months ended in 2008 and 2007 are the following:

Company	Relationship	Transaction	September 30, 2008		September 30, 2007	
			Amount of the transaction ThUS\$	Effect on income charge (credit) ThUS\$	Amount of the transaction ThUS\$	Effect on income charge (credit) ThUS\$
Antofagasta Minerals S.A.	Parent	Administrative services	2,229	1,873	1,933	1,624
		Reimbursement of expenses	13		42	
		Payment of dividend	139,674			
		AMSA project services	159	(134)	158	(67)
Compañía Contractural Minera Leonor	Shareholder	Royalties	10,467	10,467	10,080	10,080
		Payment of dividend	89,300			
Minera Michilla S.A.	Indirect	Purchase of supplies	4,985		531	
		Sale of supplies	616		2,763	
		Lease of terminal	487	409	897	754
		Miscellaneous	213		1	
Minera Esperanza	Indirect	Sundry services	845	(710)		
		Advance of minerals	90,000			
Minera Los Pelambres	Indirect	Outsourcing services	155	130	153	128
		Sale of supplies	89	(71)		
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	Transportation	10,787	9,065	7,849	6,596
		Miscellaneous			48	40
Aguas de Antofagasta S.A.	Indirect	Water	717	603	71	60
Banco de Chile	Indirect	Bank expenses	65	55	24	20
		Loans	74,318	(325)	65,871	(221)
Artikos	Indirect	Administrative services	35	29	26	22
Adriático	Indirect	Office rental	72	72	61	61
Madeco	Indirect	Supplies	131	110	275	231
Other related	Indirect	Sundry expenses	9	7	45	38

15. OTHER INCOME AND EXPENSES

At September 30, the detail is as follows:

	September 30, 2008 ThUS\$	September 30, 2007 ThUS\$
Other income:		
Sales and extraordinary services	1,669	513
Indemnities received	<u>136</u>	<u> </u>
Total	<u><u>1,805</u></u>	<u><u>513</u></u>
Other expenses:		
Provision for obsolescence of materials	729	
Fixed assets write - off		1,640
Others	<u>98</u>	<u> </u>
Total	<u><u>827</u></u>	<u><u>1,640</u></u>

16. CONTINGENCIES, COMMITMENTS AND GUARANTEES

- a. The Company has deposits in guarantee for ThUS\$31 in favor of the Third 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 foreign advisory services for ThUS\$959, case number 7889-2004, which is in the second instance in the court of appeal. It also has a dispute for a ThUS\$29 reimbursement, where the Court, on appeal, annulled the proceedings based on the illegality of the designation and consequent incompetence of the Tax Judge; these proceedings will revert 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 October 1, and the date of issue of these financial statements, there have been no other subsequent events that could significantly affect the balances or interpretation of these financial statements.

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