

MINERA MICHILLA S.A.
ANAUDITED FINANCIAL STATEMENTS
FOR THE FIRST HALF ENDED 30 JUNE 2009 AND 2008

(TRANSLATION FROM SPANISH VERSION TO BE
FILED WITH SUPERINTENDENCIA DE VALORES Y SEGUROS
DE CHILE 26TH AUGUST 2009)

MINERA MICHILLA S.A.**BALANCE SHEETS AT JUNE 30, 2009 AND 2008**
(In thousands of US dollars -ThUS\$)

ASSETS	2009 ThUS\$	2008 ThUS\$
CURRENT ASSETS:		
Cash at bank and in hand	1,840	395
Time deposits	15,704	23,447
Marketable securities	3,649	11,650
Trade debtors, net	13,742	11,423
Sundry debtors	948	9,194
Accounts receivable from related companies	1,383	1,000
Inventories	21,947	28,404
Refundable taxes	12,027	5,121
Prepaid expenses	1,114	826
Deferred taxes	1,245	346
Other current assets	13	13
Total current assets	73,612	91,819
FIXED ASSETS:		
Mining properties	13,622	13,622
Construction and infrastructure	76,552	71,493
Machinery and equipment	85,770	79,102
Other fixed assets	125,325	110,436
Technical revaluation of fixed assets	4,104	4,104
Accumulated depreciation and amortization	(251,998)	(236,799)
Write-off fixed assets	(38,255)	
Total fixed assets, net	15,120	41,958
OTHERS ASSETS:		
Investments in other companies	79	97
Deferred taxes	8,176	1,949
Others	296	214
Total other assets	8,551	2,260
TOTAL ASSETS	97,283	136,037

The accompanying notes form an integral part of these financial statements

LIABILITIES AND SHAREHOLDERS' EQUITY	2009 ThUS\$	2008 ThUS\$
CURRENT LIABILITIES:		
Accounts payable	13,517	11,899
Sundry creditors	1,441	
Accounts payable to related companies	184	705
Accruals and withholdings	6,595	18,367
Income tax		574
Total current liabilities	<u>21,737</u>	<u>31,545</u>
LONG TERM LIABILITIES:		
Sundry creditors	754	
Accruals	20,790	8,771
Total long-term liabilities	<u>21,544</u>	<u>8,771</u>
SHAREHOLDERS' EQUITY:		
Paid-in capital	42,568	78,422
Reserve for fixed asset technical revaluation	219	219
Interim dividends		(35,000)
Net income for the period	11,215	52,080
Total shareholders' equity, net	<u>54,002</u>	<u>95,721</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>97,283</u></u>	<u><u>136,037</u></u>

MINERA MICHILLA S.A.

STATEMENTS OF INCOME

FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2009 AND 2008

(In thousands of US dollars - ThUS\$)

	2009	2008
	ThUS\$	ThUS\$
OPERATING REVENUE	81,798	173,840
OPERATING COSTS	<u>(72,301)</u>	<u>(98,049)</u>
OPERATING MARGIN	9,497	75,791
ADMINISTRATIVE AND SELLING EXPENSES	<u>(7,692)</u>	<u>(8,918)</u>
OPERATING INCOME	<u>1,805</u>	<u>66,873</u>
OTHER INCOME (EXPENSES):		
Financial income	112	1,049
Other income	6,022	925
Financial expenses	(44)	(36)
Other expenses	(1,856)	(35)
Exchange differences	<u>(134)</u>	<u>(3,751)</u>
OTHER INCOME (EXPENSES)	<u>4,100</u>	<u>(1,848)</u>
INCOME BEFORE INCOME TAX	5,905	65,025
INCOME TAX	<u>5,310</u>	<u>(12,945)</u>
NET INCOME FOR THE PERIOD	<u><u>11,215</u></u>	<u><u>52,080</u></u>

The accompanying notes form an integral part of these financial statements

MINERA MICHILLA S.A.STATEMENTS OF CASH FLOWS
FOR THE SIX MONTH PERIODS ENDED JUNE 30, 2009 AND 2008
(In thousands of US dollars -ThUS\$)

	2009	2008
	ThUS\$	ThUS\$
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income for the period	11,215	52,080
Gain on sale of assets:		
Gain on sale of assets	(404)	(113)
Charges to income that do not represent cash flows:		
Depreciation		6,267
Amortisation	2,729	6,544
Exchange differences	134	3,751
Write-offs and accruals	64	702
Other charges to income that do not represent cash flows	432	137
Decrease (increase) in operational assets:		
Trade debtors, net	(6,803)	10,223
Inventories	(5,323)	(12,092)
Deferred taxes	364	218
Other assets	14,677	(12,644)
Increase (decrease) in operational liabilities:		
Accounts payable and sundry creditors	(5,212)	4,835
Accounts payable to related companies	2,860	
Value added tax and other similar taxes payable	(16,543)	(2,219)
Deferred taxes	(5,636)	(585)
Net cash (used in) provided by operating activities	<u>(7,446)</u>	<u>57,104</u>
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed assets	<u>(8,083)</u>	<u>(11,890)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid		<u>(52,825)</u>
NET NEGATIVE CASH FLOW FOR THE PERIOD	(15,529)	(7,611)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>36,722</u>	<u>43,103</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>21,193</u>	<u>35,492</u>
COMPLEMENTARY INFORMATION	ThUS\$	
Decommissioning cost of fixed assets (Note 3) provision	10,918	

The accompanying notes form an integral part of these financial statements

MINERA MICHILLA S.A.

NOTES TO THE FINANCIAL STATEMENTS

(In thousands of U.S. dollars - ThUS\$)

1. INCORPORATION AND NATURE OF THE COMPANY'S OPERATIONS

The Company was incorporation as a Company limited by deed dated 29 of May of 1959.

The corporate purpose of the Company is the exploration, development, exploitation, production, commercialization of minerals, concentrates, precipitates, cathodes and copper bars and bars of non-ferrous metals, and products and sub-products obtained there from; and the exploitation of mining properties, including all the stages of the mining industry.

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 is Exempt Resolutions N°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.

Due to the current market conditions, the Company has had to modify its mining and business plan. The continuity of the Company's operations will depend on a change in current circumstances. In relation with the above, the Company expects that the actions taken to date will constitute the necessary basis for generating profits and positive cash flows during the first years. The current financial statements do not include any adjustment that may result from the resolution of this uncertainty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation - The financial statements at June 30, 2009 and 2008 have been prepared in accordance with accounting principles generally accepted in Chile.

b. 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.

The assets and liabilities in Chilean pesos were translated into US dollars at the exchange rate current at period end of Ch\$531.76 per US\$1 (June 30, 2008: Ch\$526.05 per US\$1).

c. Time deposits - Time deposits are stated at original investment amount plus accrued interest at the close of the period.

d. Marketable securities - Marketable securities include investments in fixed income mutual funds, which are stated at period-end value of the respective unit.

e. Estimate for uncollectible accounts - Considering the age and risk of its accounts receivable, the Company has decided not to constitute an allowance for uncollectible accounts.

f. Inventory - Inventory is valued in accordance with the following criteria:

- Finished products and products in process are stated at the monthly average production cost.
- Materials and supplies are stated at weighted average acquisition cost.

The cost of inventories does not exceed its estimated net realizable value.

g. Fixed assets - Fixed assets are presented at acquisition or revaluation cost. Depreciation for the period has been calculated based on the straight-line method, over the estimated useful lives of the assets, except for values disbursed for mining concessions that are amortized based on production, considering economically exploitable ore reserves.

Assets acquired under a finance lease (Note 7) are not legally owned by the Company, and therefore it cannot freely dispose of these assets until it exercises its purchase option.

The costs of the mine development stages correspond to:

- Exploring and prospective drilling of ore deposits.

Costs for locating mineralized areas, and determining their possible commercial exploitation are debited to construction in progress. Once results are concluded and analyzed, they are charged to income if not feasible.

- Mine pre-operation expenses

Expenses incurred from the moment the Company determines that the exploitation of an ore deposit is feasible until the moment of start-up, are capitalized and amortized in relation with mineral production.

- Development expenses of ore deposits being exploited.

The expenses for maintaining production volumes are charged to costs when incurred.

h. Mining licenses - Mining licenses paid for mining properties that are not under operation are amortized during the period.

i. Investments in other companies - Investments in other companies are stated at cost and represent principally the contribution in Minera Pampa Fénix S.C.M. The Company owns 90% of this mining company. The non-consolidation of the aforementioned subsidiary does not affect the interpretation of the current financial statements, as its assets, liabilities, results and cash flows are not significant.

j. Vacations - The annual cost of personnel vacations is recognized as an expense in the financial statements on the accrual basis.

k. Income tax and deferred taxes - The Company determines provisions for first category income tax and specific mining tax, based on the Net Taxable Income and Operating Taxable Income, respectively, determined in accordance with the Income Tax Law.

Deferred taxes on temporary differences, tax losses and other events creating differences between the accounting and tax base of assets and liabilities, are recorded following Technical Bulletin N°60 of the Chilean Institute of Accountants and its complements and modifications.

l. Severance indemnity - The Company has accrued severance indemnity at the present value of the projected cost of the benefit, applying a 6.5% annual discount rate.

m. Mine closure - The Company provides for mine closure and abandonment of installations cost at net present value considering a discount rate of 2.74% (June 30, 2008: 6.5%) and pursuant to corporate policies and environmental obligations subscribed with government organizations.

n. Operating revenue - These include product sales and the result of future contracts that determine sales prices. Sales revenue is recorded when the risk and product ownership are substantially transferred to the buyer.

o. Derivative contracts - The Company has entered into Min-Max derivative contracts and price-setting futures contracts to cover the variation experienced by the price of copper. As these contracts were defined as coverage of expected transactions, the unrealized result has been deferred, as established by Technical Bulletin N°57 of the Chilean Institute of Accountants.

p. Statements 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 mutual fund units.

q. Reclassifications - Some items in the Financial Statements at June 30, 2008 have been reclassified for reasons of uniformity.

3. CHANGES IN THE ACCOUNTING ESTIMATE

Based on a new study of closure costs, in 2009 the Company updated the provision made for that purpose. This change implied an increase in the provision, which is divided into two concepts - Decommissioning of the fixed assets, which generated recognition of an asset of ThUS\$10,918, which is stated in Other Fixed Assets and will be depreciated using the straight line method up to December 31, 2010, and the environmental restoration or remediation cost, which is considered an administrative expense in the period in which it is incurred or accrued and, at June 30, 2009, represents a value of ThUS\$230.

4. TIME DEPOSITS

The detail is as follows:

	Currency	2009 ThUS\$	2008 ThUS\$
Time deposits overseas	US\$	7,004	6,650
Time deposits local	US\$	<u>8,700</u>	<u>16,797</u>
Total		<u><u>15,704</u></u>	<u><u>23,447</u></u>

5. TRADE DEBTORS

The distribution of this item broken down by geographical destination is as follows:

	2009 ThUS\$	2008 ThUS\$
Europe	3,006	10,976
Asia Pacific	10,728	
North America		447
Latin America	<u>8</u>	
Total	<u><u>13,742</u></u>	<u><u>11,423</u></u>

6. INVENTORIES

The detail of inventories at the respective period-end is as follows:

	2009 ThUS\$	2008 ThUS\$
Products in process	11,536	10,978
Supplies and materials	6,958	5,162
Finished products	<u>3,453</u>	<u>12,264</u>
Total	<u><u>21,947</u></u>	<u><u>28,404</u></u>

7. FIXED ASSETS

Fixed assets are stated as indicated in Notes 2g and 2h. The detail is as follows:

	2009 ThUS\$	2008 ThUS\$
Mining properties	<u>13,622</u>	<u>13,622</u>
Construction and infrastructure	<u>76,552</u>	<u>71,493</u>
Machinery and equipment	<u>85,770</u>	<u>79,102</u>
Other fixed assets:		
Investments in development and prospecting	96,048	91,045
Furniture and fixtures, equipment	3,948	3,939
Works in progress	10,711	14,213
Leased assets (b)	2,426	
Other fixed assets	<u>12,192</u>	<u>1,239</u>
Total other fixed assets	125,325	110,436
Fixed asset technical revaluation	<u>4,104</u>	<u>4,104</u>
Total fixed assets - gross	<u>305,373</u>	<u>278,757</u>
Accumulated depreciation	(146,373)	(134,310)
Depreciation for the period		(6,267)
Increased value of accumulated depreciation as a result of technical revaluation of fixed assets	(4,104)	(4,104)
Accumulated amortisation	(98,792)	(85,574)
Amortisation for the period	<u>(2,729)</u>	<u>(6,544)</u>
Total accumulated depreciation and amortisation	(251,998)	(236,799)
Fixed asset write-offs (a)	<u>(38,255)</u>	<u></u>
Total fixed assets - net	<u><u>15,120</u></u>	<u><u>41,958</u></u>

- (a) At the end of 2008, the Company recorded a provision charged to other expenses for the write-off of its fixed assets for ThUS\$36,853, on the basis of the reevaluation of its current mining plan. At June 30, 2009, the ThUS\$38,255 balance includes the reversal of the provision for the 2007 earthquake damages and write-offs from the sale of fixed assets.
- (b) Corresponds to the acquisition of 3 Komatsu HD785-5 trucks, through a lease with Komatsu Cummins Chile Arrienda S.A., with monthly payments until December 2010, date on which the purchase option will be materialized.

8. ACCOUNTS PAYABLE

The detail of this item at each period-end is as follows:

	2009	2008
	ThUS\$	ThUS\$
Invoices payable	11,849	10,351
Creditors for imports	202	384
Withholdings from contractors	1,447	1,145
Others	<u>19</u>	<u>19</u>
Total	<u>13,517</u>	<u>11,899</u>

9. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

a. Accounts receivable from/payable to related companies:

	Relationship	2009	2008
		ThUS\$	ThUS\$
Receivables:			
Minera El Tesoro	Indirect	1,256	467
Antofagasta Minerals S.A.	Shareholder	31	40
Madeco Brass Mill	Indirect		454
Minera Los Pelambres	Indirect		38
Minera Esperanza	Indirect	95	
Antofagasta Railway & Co. (agencia en Chile)	Indirect	<u>1</u>	<u>1</u>
Total		<u>1,383</u>	<u>1,000</u>
Payables:			
Antofagasta Minerals S.A.	Shareholder	63	366
Antofagasta Railway & Co. (agencia en Chile)	Indirect	108	117
Madeco Brass Mill	Indirect	<u>13</u>	<u>222</u>
Total		<u>184</u>	<u>705</u>

Receivable and payable balances are primarily in US dollars and do not accrue interest or indexation.

b. The main transactions with related companies are as follows:

Entity	Relationship	Transaction	Amount of the Transaction		Effect on income Charge (Credit)	
			2009	2008	2009	2008
			ThUS\$	ThUS\$	ThUS\$	ThUS\$
Antofagasta Minerals S.A.	Shareholder	Administrative services	714	714	600	600
		Expense refunds		2,345		1,971
		Recovery of expenses		297		
		Rental income	79	74	(67)	(62)
		Payment of dividends		39,187		
Antofagasta Railway & Co. (agencia en Chile)	Indirect	Transport services	678	973	570	818
		Recovery of expenses	4	4		
Minera Los Pelambres	Indirect	Rental income		125		(125)
Madeco Brass Mill	Indirect	Copper sales	856	1,549	684	(705)
		Purchase of materials		239		200
Minera El Tesoro	Indirect	Sale of materials	1,578	2,275	(1,326)	
		Purchase of materials	2,971	92	2,497	
		Sea Terminal service	491	387	(413)	(325)
Minera Esperanza	Indirect	Recovery of expenses	90		(75)	
Banco de Chile	Indirect	Time deposits	29,320	8,157	(1,098)	(104)

10. ACCRUALS AND WITHHOLDINGS

The detail of this item at each period-end is as follows:

	2009 ThUS\$	2008 ThUS\$
Short term:		
Monthly expenses accrual	869	1,058
Sundry US dollar accrual	4,273	12,874
Staff vacations accrual	1,078	999
Futures market accrual		1,244
Withholdings payable	<u>375</u>	<u>2,192</u>
Total	<u><u>6,595</u></u>	<u><u>18,367</u></u>
Long term:		
Severance Indemnity	513	427
Mine closure (Note 3)	<u>20,277</u>	<u>8,344</u>
Total	<u><u>20,790</u></u>	<u><u>8,771</u></u>

11. INCOME TAX AND DEFERRED TAXES

a. Refundable taxes

The balance at each period-end is as follows:

	2009 ThUS\$	2008 ThUS\$
VAT Recoverable	4,802	5,121
Income tax accrual, net of credits	3,779	
Provisional payments of specific mining tax, net of debits	676	
Other refundable taxes	<u>2,770</u>	
Total	<u>12,027</u>	<u>5,121</u>

b. Income tax

At June 30, 2009, the Company has not made an Income Tax Provision because it has a ThUS\$1,896 tax loss.

The First Category Income Tax provision at June 30, 2008, was ThUS\$10,894, calculated in conformity with the Income Tax Law.

The specific mining tax provision was ThUS\$7 (ThUS\$2,907 in June 2008).

At June 30, 2008, the calculated Income Tax provision is presented in income tax payable in current liabilities net of monthly provisional payments, training credits, and other credits.

	2009 ThUS\$	2008 ThUS\$
Income tax accrual the period		(10,894)
Additional tax, special Tax Law Art. 21 Income Tax Law	(2)	(17)
Specific mining tax accrual	(7)	(2,907)
Provisional monthly payments		10,136
Provisional monthly specific mining tax payments		3,086
Sence training expenses and others	<u>9</u>	<u>22</u>
Total	<u>-</u>	<u>(574)</u>

c. Deferred taxes

At June 30 each year, the detail of the accumulated balances for deferred taxes is as follows:

	2009			2008		
	Assets		Liabilities	Assets		Liabilities
	Short term	Long term	Long term	Short term	Long term	Long term
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Temporary differences						
Inventories	466			176		
Fixed asset depreciation			1,432			351
Vacation provision	183			170		
Provision for mine closure costs		2,055			1,418	
Provision for leasing and others	274	293			164	
Tax loss	322					
Provision for impairment of fixed assets		6,265				
Others		995			718	
Total deferred taxes	<u>1,245</u>	<u>9,608</u>	<u>1,432</u>	<u>346</u>	<u>2,300</u>	<u>351</u>

Deferred taxes are presented in the balance sheet as shown below:

	2009	2008
	ThUS\$	ThUS\$
Current deferred tax assets	<u>1,245</u>	<u>346</u>
Total current assets	<u>1,245</u>	<u>346</u>
Long term deferred tax assets	9,608	2,300
Long term deferred tax liabilities	<u>(1,432)</u>	<u>(351)</u>
Total net long term asset	<u>8,176</u>	<u>1,949</u>

The composition of the charge to income for income tax, after the effect of deferred taxes is recognised, is as follows:

	2009	2008
	ThUS\$	ThUS\$
Current tax expense		
Income tax		(10,894)
Additional tax, special Tax Law Art. 21 Income Tax Law	(2)	(17)
Specific mining tax	(7)	(2,907)
Surplus of prior year income tax	47	506
Deferred taxes		
Effect of the variation of assets and liabilities from deferred taxes	5,257	329
Effect of specific mining tax	<u>15</u>	<u>38</u>
Total net credit (charge) to income	<u>5,310</u>	<u>(12,945)</u>

12. SHAREHOLDERS' EQUITY

The following are the equity movements during the periods:

	Paid-in capital ThUS\$	Reserve for technical revaluation ThUS\$	Retained earnings ThUS\$	Interim dividend ThUS\$	Net income for the period ThUS\$	Total ThUS\$
Balance at January 1, 2008	78,422	219		(109,000)	126,825	96,466
Transfer 2007 net income			126,825		(126,825)	
Final dividend			(126,825)	109,000		(17,825)
Interim dividend				(35,000)		(35,000)
Net income for the period					52,080	52,080
Balance at June 30, 2008	78,422	219		(35,000)	52,080	95,721
Balance at January 1, 2009	78,422	219		(70,000)	34,146	42,787
Transfer 2008 net income (a)	(35,854)			70,000	(34,146)	
Net income for the period					11,215	11,215
Balance at June 30, 2009	42,568	219			11,215	54,002

- (a) Because of the fixed asset write-off that figures in Note 7 (a), profits at December 31, 2008 are less than the interim dividends distributed in 2008. In this regard, and according to Article 10 of the Ley de Sociedades Anónimas (*Law of Corporations*), Capital and Share Value will be legally modified when the Ordinary Shareholders Meeting approves the balance sheet for the year. Because of this, and according to the Ley de Sociedades Anónimas (*Law of Corporations*), corporate capital is legally reduced to US\$42,568,327.04.

In the Ordinary General Shareholders Meeting held on April 25, 2008, the shareholders in attendance unanimously agreed to approve and ratify the Board of Directors decision to pay a US\$65 million dividend with charge to 2007 net income, at US\$2.479079997 per share, b) approve a dividend payment with charge to 2007 net income of US\$44 million, at US\$1.678146460 per share, and c) approve a final dividend payment of US\$17,824,565.23, at US\$0.679823433 per share, with charge to 2007 net income, which must be placed at the shareholders disposal from April 30, 2008 onward.

As a result, the dividend paid by the Company to the shareholders with charge to 2007 net income is US\$126,824,565.23.

The extraordinary Board Meeting held on April 4, 2008, unanimously agreed to distribute an interim dividend of US\$35 million, at the rate of US\$1.334889229 per share, with charge to 2008 net income, which was paid to the shareholders from June 5, 2008, onward.

The Board Meeting N°313 of August 25, 2008, unanimously agreed to distribute an interim dividend of US\$35 million, at the rate of US\$1.334889229 per share, with charge to 2008 net income, which was paid to the shareholders on September 30, 2008.

In the Ordinary Shareholders Meeting held on April 28, 2009, the assisting shareholders unanimously agreed to: a) approve and ratify the decision made by the Board, that agreed the distribution to the shareholders of a interim dividend of US\$35 million, at the rate of US\$1.334889229 per share with charge to 2008 net income, which were paid on June 05, 2008; b) approve and ratify the decision made by the Board to distribute to the shareholders an interim dividend of US\$35 million, at the rate of US\$1.334889229 per share with charge to 2008 net income, which were paid on September 30, 2008.

13. OTHER INCOME AND EXPENSES

a. Other income:

	2009 ThUS\$	2008 ThUS\$
Rental income	265	274
Net income from sale of fixed assets	404	113
Sea Terminal service	306	250
Income from 2007, earthquake insurance	4,965	
Other income	<u>82</u>	<u>288</u>
Total	<u><u>6,022</u></u>	<u><u>925</u></u>

b. Other expenses:

	2009 ThUS\$	2008 ThUS\$
Loss from 2007, earthquake	1,828	
Other expenses	<u>28</u>	<u>35</u>
Total	<u><u>1,856</u></u>	<u><u>35</u></u>

14. FUTURE OPERATIONS AND OPTIONS

The Company holds the following hedge contracts at each period-end:

a. Outstanding positions at June 30, 2009:

At June 30, 2009, the Company holds Min-Max options for 35,750MT, and price-setting futures contracts with monthly maturities, from July 2009 to December, 2010. These options have a floor of US\$1.67 and a cap of US\$2.13 per pound of fine copper.

At June 30, 2009, the Company has Futures Contracts (price-setting) for 11,000MT, with maturities for 200MT from July to December 2009 at a fixed price of US\$1.60; 1,000MT in January 2010 at a fixed price of US\$1.93; and 800MT from February to December 2010 at a fixed price of US\$2.01.

b. Outstanding positions at June 30, 2008:

At June 30, 2008 the Company holds Min-Max options for 17,425MT, with monthly maturities, from July to December, 2008. These options have a floor of US\$2.92 per pound of fine copper and a cap of US\$4.09 per pound of fine copper.

c. Result of operations that matured during the period:

June 30, 2009	Gain ThUS\$	Loss ThUS\$	Total ThUS\$
Price-setting contracts	5	(4,785)	(4,780)
Options	<u> </u>	<u>(4,242)</u>	<u>(4,242)</u>
Total	<u> 5</u>	<u>(9,027)</u>	<u>(9,022)</u>
June 30, 2008	Gain ThUS\$	Loss ThUS\$	Total ThUS\$
Options	<u> </u>	<u>(6,889)</u>	<u>(6,889)</u>
Total	<u> -</u>	<u>(6,889)</u>	<u>(6,889)</u>

The result of these operations is presented net in revenue in the statement of income.

15. CONTINGENCIES AND CHARGES AND WARRANTIES

As a result of the earthquake on November 14, 2007 the Company recorded a provision for the damages in facilities and losses in inventories of products in process for ThUS\$9,276, as well as the recoverability of ThUS\$7,776, considering that the Company has insurance policies in force that cover these risks.

On July 25, 2008 the Company received US\$2 million from the insurance company Royal Sun Alliance on account of the advance of the payment of damages caused by the earthquake mentioned above.

On February 19, 2009, the Royal Sun Alliance Insurance Company, with the report issued by the designated insurance liquidator, proceeded to make the final liquidation of the claim and determined the payment of a final indemnity of ThUS\$6,078. Consequently, between March 12 and 24, 2009, the Company received ThUS\$4,078, in payment for the balance of the total indemnity.

16. SUBSEQUENT EVENTS

Between July 1, and 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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