

MINERA EL TESORO
ANAUDITED FINANCIAL STATEMENTS
FOR THE FIRST HALF ENDED 30 JUNE 2010 AND 2009

(TRANSLATION FROM SPANISH VERSION TO BE
FILED WITH SUPERINTENDENCIA DE VALORES Y SEGUROS
DE CHILE 24TH AUGUST 2010)

MINERA EL TESORO

BALANCE SHEETS AT JUNE 30, 2010 AND 2009

(In thousands of US Dollars - ThUS\$)

ASSETS	2010 ThUS\$	2009 ThUS\$
CURRENT ASSETS:		
Cash at banks and in hand	4,914	2,278
Time deposits	80,718	183,854
Marketable securities	95,528	
Trade debtors	56,466	45,118
Sundry debtors	2,308	5,020
Accounts receivable from related companies	25,222	31,126
Inventories	173,926	88,380
Recoverable taxes	13,833	23,198
Prepaid expenses	968	1,892
Other current assets	59	36
Total current assets, net	<u>453,942</u>	<u>380,902</u>
FIXED ASSETS:		
Land	301	301
Mining properties	241,529	241,529
Construction and infrastructure	232,840	164,516
Machinery and equipment	151,667	151,481
Other fixed assets	33,024	83,450
Subtotal	659,361	641,277
Less: Accumulated depreciation and amortization	<u>(279,694)</u>	<u>(179,198)</u>
Total fixed assets, net	<u>379,667</u>	<u>462,079</u>
OTHER ASSETS:		
Accounts receivable from related company	124,931	41,409
Mine development costs - net	115,432	133,445
Others	6,230	5,188
Total other assets	<u>246,593</u>	<u>180,042</u>
TOTAL ASSETS	<u>1,080,202</u>	<u>1,023,023</u>

The accompanying notes are an integral part of these financial statements

LIABILITIES AND SHAREHOLDERS' EQUITY	2010 ThUS\$	2009 ThUS\$
CURRENT LIABILITIES:		
Accounts payable	19,077	14,345
Leasing obligations, current portion	165	146
Accounts payable to related companies	2,606	3,177
Accruals and withholdings	26,315	24,881
Deferred taxes	<u>11,176</u>	<u>5,869</u>
Total current liabilities	<u>59,339</u>	<u>48,418</u>
LONG-TERM LIABILITIES:		
Leasing obligations	85	216
Accruals	17,892	16,745
Deferred taxes	<u>51,923</u>	<u>59,416</u>
Total long-term liabilities	<u>69,900</u>	<u>76,377</u>
SHAREHOLDERS' EQUITY:		
Paid-in capital	90,995	90,995
Retained earnings	749,599	758,973
Net income for the period	<u>110,369</u>	<u>48,260</u>
Total shareholders' equity	<u>950,963</u>	<u>898,228</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>1,080,202</u></u>	<u><u>1,023,023</u></u>

MINERA EL TESORO

STATEMENTS OF INCOME
FOR THE SIX MONTH PERIODS ENDED AT JUNE 30, 2010 AND 2009
(In thousands of US Dollars - ThUS\$)

	2010	2009
	ThUS\$	ThUS\$
REVENUES	329,922	185,250
COST OF SALES	<u>(177,979)</u>	<u>(119,803)</u>
GROSS MARGIN	151,943	65,447
ADMINISTRATIVE AND SELLING EXPENSES	<u>(21,291)</u>	<u>(16,985)</u>
OPERATING INCOME	<u>130,652</u>	<u>48,462</u>
OTHER INCOME (EXPENSES):		
Financial income	2,905	2,191
Other income	512	710
Financial expenses	(146)	(322)
Other expenses	(561)	(1,236)
Exchange differences	<u>901</u>	<u>14,234</u>
Other income - net	<u>3,611</u>	<u>15,577</u>
INCOME BEFORE INCOME TAX	134,263	64,039
INCOME TAX	<u>(23,894)</u>	<u>(15,779)</u>
NET INCOME FOR THE PERIOD	<u><u>110,369</u></u>	<u><u>48,260</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 AT JUNE 30, 2010 AND 2009 (In thousands of US Dollars - ThUS\$)

	2010	2009
	ThUS\$	ThUS\$
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income for the period	110,369	48,260
Charges (credits) to income which do not represent cash flows:		
Depreciation and amortization	58,965	24,140
Deferred taxes	4,403	12,503
Exchange differences	(901)	(14,234)
Mine closure provision	197	
Interest Income Subordinated Loan	(2,183)	
Disposals of fixed assets	244	879
(Increase) decrease in operational assets:		
Trade debtors	13,226	(15,775)
Sundry debtors	3,255	8,933
Inventories	(44,178)	(34,189)
Recoverable taxes	(4,811)	631
Other assets	787	7,899
Increase (decrease) in operational liabilities:		
Accounts payable	3,225	(4,991)
Accounts payable to related companies - net	16,247	24,129
Accruals and withholdings	(11,821)	2,721
Net cash provided by operating activities	<u>147,024</u>	<u>60,906</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	<u>(12,605)</u>	<u>(46,355)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of dividends	<u>(50,000)</u>	
NET INCREASE IN CASH FLOW FOR THE PERIOD	84,419	14,551
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>96,741</u>	<u>171,581</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>181,160</u></u>	<u><u>186,132</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 AND NATURE OF THE COMPANY'S OPERATIONS

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 Superintendency of Securities and Insurance ("SVS") through its 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Bases of presentation - The financial statements have been prepared in accordance with accounting principles generally accepted in Chile and correspond to the periods between January 1° and June 30, 2010 and 2009.

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. Assets and liabilities in Chilean pesos outstanding at the end of the year were translated into US dollars at the observed exchange rate published by the Chilean Central Bank of \$547.19 per US\$1 in 2010 (\$531.76 per US\$1 in 2009).

Exchange differences and adjustments are recognized in results for the period.

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

d. Marketable securities - Marketable securities include investments in debt instruments registered in the Foreign in US dollars. The portfolios average maturity is less than 90 days and they are valued at their market value.

e. 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.

f. 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 purchase option.

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

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

h. 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.

i. Derivative contracts - The Company has entered into copper forward contracts based on the COMEX price and forward contracts based on the LME price and Min-Max zero cost operations, to cover the variation experienced by the price of copper. As these contracts were defined as coverage of expected transactions, the unrealized result at the end of the period 2009 has been deferred, as established by Technical Bulletin N°57 of the Chilean Institute of Accountants (Note 11).

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

k. Severance indemnity - Severance indemnity has been accrued for all its 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%.

l. 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.

m. 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.

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

o. Reclassifications - For comparative purposes, certain reclassifications have been made in the financial statements at June 30, 2009.

3. TIME DEPOSITS

This item includes time deposits as follows:

Time deposits	Currency	2010 ThUS\$	2009 ThUS\$
Time deposits overseas	US\$		30,000
Local financial investments	Ch\$		17,546
Local financial investments	US\$	<u>80,718</u>	<u>136,308</u>
Total time deposits		<u><u>80,718</u></u>	<u><u>183,854</u></u>

4. MARKETABLE SECURITIES

The detail of investments in marketable securities is as follows:

	2010 ThUS\$	2009 ThUS\$
Asset Manager Deustche	30,000	
Asset Manager Blackrock	30,001	
Mutual Funds- Banco Estado	<u>35,527</u>	<u> </u>
Total	<u><u>95,528</u></u>	<u><u>-</u></u>

5. TRADE DEBTORS

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

	2010 ThUS\$	2009 ThUS\$
Foreign clients:		
Europe	17,173	14,835
Latin America	5,173	11,376
Asia Pacific	22,973	12,461
North America	2,763	2,731
Total foreign clients	<u>48,082</u>	<u>41,403</u>
Domestic clients	<u>8,384</u>	<u>3,715</u>
Total	<u><u>56,466</u></u>	<u><u>45,118</u></u>

6. INVENTORIES

Inventories of the Company are as follows:

	2010 ThUS\$	2009 ThUS\$
Finished products	16,468	5,965
Products in process	134,589	69,976
Materials, raw materials and parts	<u>22,869</u>	<u>12,439</u>
Total	<u><u>173,926</u></u>	<u><u>88,380</u></u>

7. FIXED ASSETS

Fixed assets are stated as mentioned in Note 2f. The detail is as follows:

	2010 ThUS\$	2009 ThUS\$
Land	<u>301</u>	<u>301</u>
Mining properties	<u>241,529</u>	<u>241,529</u>
Construction and infrastructure:		
Facilities	169,864	102,234
Buildings and construction	29,225	28,531
Infrastructure	<u>33,751</u>	<u>33,751</u>
Total buildings and infrastructure	<u>232,840</u>	<u>164,516</u>
Machinery and equipment:		
Machinery and equipment	56,438	56,438
Mobile equipment	85,102	84,965
Minor equipment	4,643	4,594
Auxiliary equipment	<u>5,484</u>	<u>5,484</u>
Total machinery and equipment	<u>151,667</u>	<u>151,481</u>
Other fixed assets:		
Equipment	12,419	12,262
Computer equipment, software and hardware	908	908
Furniture	87	87
Leased assets	491	457
Construction in progress	298	2,010
Ongoing projects	11,188	59,299
Mine closure cost asset	<u>7,633</u>	<u>8,427</u>
Total other fixed assets	<u>33,024</u>	<u>83,450</u>
Total fixed assets, gross	<u>659,361</u>	<u>641,277</u>
Total accumulated depreciation and amortization	<u>(279,694)</u>	<u>(179,198)</u>
Total fixed assets, net	<u><u>379,667</u></u>	<u><u>462,079</u></u>

8. MINE DEVELOPMENT COSTS - NET

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

	2010	2009
	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	7,560	7,560
Preoperating expenses	10,879	10,879
Water rights	5,510	5,510
Patents	2,382	2,364
Pre-operational expenses ROM	1,068	
Pre-operational expenses Tesoro Noreste	93,005	93,005
	<u>215,004</u>	<u>213,918</u>
Total mine development costs, gross		
	<u>(99,572)</u>	<u>(80,473)</u>
Accumulated amortization		
Total mine development costs, net	<u><u>115,432</u></u>	<u><u>133,445</u></u>

9. ACCRUALS AND WITHHOLDINGS

This detail of this item is as follows:

	2010	2009
	ThUS\$	ThUS\$
Short-term:		
Operations	22,614	23,192
Freight, insurance, export commissions	1,474	805
	<u>24,088</u>	<u>23,997</u>
Subtotal accruals		
	<u>2,227</u>	<u>884</u>
Withholdings		
Total short-term	<u><u>26,315</u></u>	<u><u>24,881</u></u>
Long-term:		
Severance indemnity	7,032	6,274
Mine closure	10,860	10,471
	<u>17,892</u>	<u>16,745</u>
Total long-term	<u><u>17,892</u></u>	<u><u>16,745</u></u>

10. INCOME TAX AND DEFERRED TAXES

a. Recoverable taxes

The balance of recoverable taxes is as follows:

	2010 ThUS\$	2009 ThUS\$
Current assets:		
VAT Credit (net)	6,682	5,017
Monthly provisional payments (net)	5,676	9,275
Other monthly and annual refundable credits	<u>1,475</u>	<u>8,906</u>
Total short-term	<u><u>13,833</u></u>	<u><u>23,198</u></u>
Other assets:		
Additional tax for technical advisory services	966	994
Long-term tax credits	<u>533</u>	<u>824</u>
Total long-term	<u><u>1,499</u></u>	<u><u>1,818</u></u>

Short-term recoverable taxes include the provisional monthly payment balance, net of the provision for first category tax and specific mining tax.

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

b. Income tax

The provision for first category income tax at June 30, 2010 and 2009 was calculated based on net taxable income of ThUS\$115,788 (ThUS\$5,100 in 2009), determined in agreement with the Income Law. The Company provided for mining specific tax provision, calculated on the basis of operating taxable income of ThUS\$37,825 (ThUS\$34,575 in 2009).

At June 30, 2010 and 2009, the income tax and specific mining tax provisions are classified as recoverable taxes under current assets, net of monthly provisional payments and other credits.

	2010 ThUS\$	2009 ThUS\$
Income tax provision for the period	19,684	867
Specific mining tax provision for the period	1,513	1,383
Monthly provisional payments - First category tax	(18,476)	(867)
Monthly provisional payments - Specific mining tax	(2,628)	(1,383)
Other credits	<u>(93)</u>	<u>-</u>
Total income tax payable	<u><u>-</u></u>	<u><u>-</u></u>

c. Deferred taxes

At June 30, 2010 and 2009, the detail of accumulated balances of assets and liabilities from deferred taxes is as follows:

	2010				2009			
	Assets		Liabilities		Assets		Liabilities	
	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Temporary differences								
Vacation accrual	269				262			
Bonus accrual	229				173			
Severance indemnity		664				595		
Mine closure provision, net		733				544		
Accruals and others	65	98			85	88		
Indirect manufacturing costs			9,628				5,297	
Depreciation of fixed assets				32,386				28,503
Preoperating expenses				21,016				31,650
Specific mining tax			2,111	16			1,092	490
Total deferred taxes	<u>563</u>	<u>1,495</u>	<u>11,739</u>	<u>53,418</u>	<u>520</u>	<u>1,227</u>	<u>6,389</u>	<u>60,643</u>

The net balances of short-term deferred taxes of ThUS\$11,176 (ThUS\$5,869 in 2009), and long-term deferred taxes for ThUS\$51,923 (ThUS\$59,416 in 2009), are presented in current liabilities and long-term liabilities, respectively.

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

	2010	2009
	ThUS\$	ThUS\$
Current tax expense:		
Income tax	19,684	867
(Deficit) surplus of prior year income tax	(834)	594
Specific mining tax	1,513	1,383
(Deficit) surplus of prior year specific mining tax	(872)	432
Deferred taxes:		
Changes in deferred taxes	<u>4,403</u>	<u>12,503</u>
Total	<u>23,894</u>	<u>15,779</u>

11. COPPER PRICE FUTURES CONTRACTS

a. Copper Price futures contracts

In 2008 and 2009, various contracts for future COMEX price base sales and future LME price base purchases were entered into for 6.000 tons annually. The 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 June 30, 2010:

At June 30, 2010, the Company maintains five forward price contracts (COMEX/ LME arbitration) for 7.000 MT, expiring in January, 2011, with an average fixed COMEX price of US\$6,154, and an average fixed LME price of US\$6,110, per ton of fine copper. The Mark to Market of these contracts implies an unrealized gain of THUS\$151.

b. Options

In April, 2007, the Company entered Min-Max options to hedge 27.600 tons in 2009 based on the LME price. Also in February and March, 2009, the Company entered into new contracts to hedge 16.000 tons for 2009, starting from May, 2009.

At June 30, 2010, de Company has no Min-Max fine copper options.

c. The result of operations finalized during the period:

Operations	2010 ThUS\$	2009 ThUS\$
Mix-Max Options		6,192
COMEX/ LME Arbitration	<u>(8)</u>	<u>(31)</u>
Operating (loss) gain	<u><u>(8)</u></u>	<u><u>6,161</u></u>

The result of these operations is presented under operating income in the income statement.

12. 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, 2009	90,995	511,677	247,296	849,968
Transfer of income		247,296	(247,296)	
Net income for the period			48,260	48,260
			<hr/>	<hr/>
Balance at June 30, 2009	90,995	758,973	48,260	898,228
			<hr/>	<hr/>
Balance at January 1, 2010	90,995	658,973	140,626	890,594
Transfer of income		140,626	(140,626)	
Dividends (b)		(50,000)		(50,000)
Net income for the period			110,369	110,369
			<hr/>	<hr/>
Balance at June 31, 2010	90,995	749,599	110,369	950,963
			<hr/>	<hr/>

- b. In Ordinary Shareholders Meeting held on May 18, 2010, it was unanimously agreed to distribute provisional dividends of US\$50,000,000 at rate of US\$540.8 per share, which was paid to the shareholders on June 30, 2010.
- c. At June 30, 2010, the paid-in capital of the Company is represented by 90,995 no-par value shares. The equity ownership is as follows:

	N° of shares	Ownership %
Antofagasta Minerals S.A.	28,209	31
Compañía Contractual Minera Leonor	35,488	39
Marubeni LP Holding B.V.	27,298	30
	<hr/>	<hr/>
Total	90,995	100
	<hr/>	<hr/>

13. BALANCES AND TRANSACTIONS WITH RELATED COMPANIES

a. Accounts receivable - short-term

Company	Relationship	2010 ThUS\$	2009 ThUS\$
Antofagasta Minerals S.A.	Parent	6	97
Minera Esperanza	Indirect	<u>25,216</u>	<u>31,029</u>
Total		<u><u>25,222</u></u>	<u><u>31,126</u></u>

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

b. Accounts receivable - long-term:

Company	Relationship	Description	2010 ThUS\$	2009 ThUS\$
Minera Esperanza	Indirect	Advance for ore	20,639	41,409
Minera Esperanza	Indirect	Subordinated Debt	<u>104,292</u>	<u> </u>
Total			<u><u>124,931</u></u>	<u><u>41,409</u></u>

On April 21, 2008, Minera Esperanza and Minera El Tesoro signed a mineral sale purchase agreement. The object of this contract is the sale of oxide ore obtained by Minera Esperanza as a result of its prestripping process. Minera El Tesoro paid ThUS\$90,000 as an advance payment for the sale of the ore, which started in April 2009.

On July 7, 2009 and August 17, 2009 Minera El Tesoro provided subordinated debt of ThUS\$80,000 and ThUS\$20,000 as a loan to the related company Minera Esperanza as agreed by the Board of Directors on May 14, 2009. These loans are denominated in US dollars, are a long term loan and accrue a 180 day-Libor interest rate plus an initial spread of 3.75%.

c. Accounts payable - short-term:

Company	Relationship	2010 ThUS\$	2009 ThUS\$
Antofagasta Minerals S.A.	Parent	185	21
Minera Michilla S.A.	Indirect	476	1,256
Minera los Pelambres	Indirect		14
Minera Esperanza	Indirect	676	393
Aguas de Antofagasta S.A.	Indirect	458	442
Servicios de Transportes Integrados LTDA.	Indirect	264	
Antofagasta Railway & Co. (Agency in Chile)	Indirect	547	1,051
Total		<u>2,606</u>	<u>3,177</u>

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

d. Transactions with related parties

Significant transactions with related parties during 2010 and 2009 are the following:

Company	Relationship	Transaction	2010		2009	
			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	1,297	1,090	856	719
		AMSA project services	134	(113)	144	(121)
		Payment of Dividend	15,500			
Compañía Contractural Minera Leonor	Shareholder	Royalties	5,668	5,668	1,334	1,334
		Payment of Dividend	19,500			
Marubeni LP Holding B.V.	Shareholder	Payment of Dividend	15,000			
Minera Michilla S.A.	Indirect	Purchase of supplies	847		1,578	
		Sale of supplies	328		2,971	
		Lease of terminal	221	186	491	413
Minera Esperanza	Indirect	Sundry services	1,096	(921)	671	(564)
		Purchase of ore	18,337	15,409	21,125	17,752
		Rental mine equipment	241	241		
		Accrued Interest	2,183	(2,183)		
Minera Los Pelambres	Indirect	Outsourcing services	93	78	80	67
Antofagasta Railway Company & Co. (Agency in Chile)	Indirect	Transportation	4,194	3,524	6,027	5,065
Servicios de transportes Integrados Ltda.	Indirect	Transportation	2,209	1,856		
Aguas de Antofagasta S.A.	Indirect	Water	2,779	2,335	4,069	3,419
Artikos	Indirect	Administrative services	6	5	15	13
Banco de Chile	Indirect	Time deposits	77,000	(63)		
Madeco Brass Mill	Indirect	Supplies	128	108	14	12
Other relations	Indirect	Others	43	36	2	2

14. OTHER INCOME AND EXPENSES

At June 30 of each period, the detail is as follows:

	2010	2009
	ThUS\$	ThUS\$
Other income:		
Sales and extraordinary services	354	259
Indemnities received	<u>158</u>	<u>451</u>
Total	<u><u>512</u></u>	<u><u>710</u></u>
Other expenses:		
Disposal of damaged fixed assets	244	879
Donations	163	278
Forgiving of housing loan	54	77
Others	<u>100</u>	<u>2</u>
Total	<u><u>561</u></u>	<u><u>1,236</u></u>

15. 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\$966, 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 the Tax Judge; these proceedings will revert to the court of first instance. The Company has not made a provision for this concept, because its advisors consider that there is only a remote probability of loss.
- c. As part of its normal operating process, the Company entered into purchase contracts with suppliers to guarantee the supply of consumables.
- d. On April 29, 2008, the Company jointly with other companies of the mining sector entered into an electric generation supporting contract with Gas Atacama Generación S.A. in the Norte Grande Interconnected System, in force from March 1, 2008, to December 31, 2011, the expense will accrue based on the participating companies' consumption, with Minera El Tesoro being responsible for covering an amount not exceeding US\$17.8 million over the whole period.
- e. On May 14, 2009, the Board of Directors of the Company approved the subordinated loan of ThUS\$100,000 to the related company Minera Esperanza, in order to finance part of the Esperanza project (Note 13b).

16. SUBSEQUENT EVENTS

- The Upper House (Senate) of the Chilean Congress passed Law No. 20,455 for the National Reconstruction on July 15, 2010 and this law was published in the Official Gazette on July 31, 2010. Such Law establishes a provisional increase in the first category income tax rate for calendar years 2011 and 2012 (20% and 18.5%, respectively).

We consider that the effects on deferred tax assets and liabilities that will be reversed in such years compared to the ones calculated at the current rate of 17% at June 30, 2010 will result in a higher deferred tax liability at ThUS\$1,721.

- Between July 1, 2010 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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