

MINERA EL TESORO
ANAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2010 AND 2009

(TRANSLATION FROM SPANISH VERSION TO BE
FILED WITH SUPERINTENDENCIA DE VALORES Y SEGUROS
DE CHILE 27TH MAY 2010)

MINERA EL TESORO

BALANCE SHEETS AT MARCH 31, 2010 AND 2009
(In thousands of US Dollars - ThUS\$)

ASSETS	2010 ThUS\$	2009 ThUS\$
CURRENT ASSETS:		
Cash at banks and in hand	213	1,882
Time deposits	157,142	175,036
Marketable securities	5,053	
Trade debtors, net	62,043	28,989
Sundry debtors	29,209	310
Accounts receivable from related companies	4,518	6,981
Inventories	159,420	39,583
Refundable taxes	15,033	30,614
Prepaid expenses	2,173	3,497
Other current assets	53	32
	<u>434,857</u>	<u>286,924</u>
FIXED ASSETS:		
Land	301	301
Mining properties	241,529	241,529
Construction and infrastructure	227,522	164,646
Machinery and equipment	151,956	150,057
Other fixed assets	35,065	156,759
	<u>656,373</u>	<u>713,292</u>
Subtotal	656,373	713,292
Less: Accumulated depreciation and amortization	<u>(258,894)</u>	<u>(172,230)</u>
	<u>397,479</u>	<u>541,062</u>
OTHER ASSETS:		
Accounts receivable from related company	121,076	68,542
Mine development costs - net	127,178	90,000
Others	5,150	4,707
	<u>253,404</u>	<u>163,249</u>
Total other assets	<u>253,404</u>	<u>163,249</u>
TOTAL ASSETS	<u><u>1,085,740</u></u>	<u><u>991,235</u></u>

The accompanying notes are an integral part of these financial statements

LIABILITIES AND SHAREHOLDERS' EQUITY	2010 ThUS\$	2009 ThUS\$
CURRENT LIABILITIES:		
Accounts payable	15,759	25,347
Leasing obligations, current portion	155	141
Accounts payable to related companies	2,218	1,932
Accruals and withholdings	31,802	22,605
Deferred taxes	11,409	1,243
Total current liabilities	<u>61,343</u>	<u>51,268</u>
LONG-TERM LIABILITIES:		
Leasing obligations	102	253
Accruals	17,461	8,883
Deferred taxes	52,946	58,248
Total long-term liabilities	<u>70,509</u>	<u>67,384</u>
SHAREHOLDERS' EQUITY:		
Paid-in capital	90,995	90,995
Retained earnings	799,599	758,973
Net income for the period	63,294	22,615
Total shareholders' equity	<u>953,888</u>	<u>872,583</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u><u>1,085,740</u></u>	<u><u>991,235</u></u>

MINERA EL TESORO

STATEMENTS OF INCOME FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010 AND 2009 (In thousands of US Dollars - ThUS\$)

	2010 ThUS\$	2009 ThUS\$
REVENUES	166,670	83,866
COST OF SALES	<u>(79,376)</u>	<u>(57,809)</u>
GROSS MARGIN	87,294	26,057
ADMINISTRATIVE AND SELLING EXPENSES	<u>(10,581)</u>	<u>(8,924)</u>
OPERATING INCOME	<u>76,713</u>	<u>17,133</u>
OTHER INCOME (EXPENSES):		
Financial income	1,414	2,039
Other income	327	593
Financial expenses	(93)	(218)
Other expenses	(277)	(913)
Exchange differences	<u>(40)</u>	<u>9,748</u>
Other income - net	<u>1,331</u>	<u>11,249</u>
INCOME BEFORE INCOME TAX	78,044	28,382
INCOME TAX	<u>(14,750)</u>	<u>(5,767)</u>
NET INCOME FOR THE PERIOD	<u><u>63,294</u></u>	<u><u>22,615</u></u>

The accompanying notes are an integral part of these financial statements

MINERA EL TESORO

STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2010 AND 2009 (In thousands of US Dollars - ThUS\$)

	2010	2009
	ThUS\$	ThUS\$
CASH FLOW FROM OPERATING ACTIVITIES:		
Net income for the period	63,294	22,615
Charges (credits) to income which do not represent cash flows:		
Depreciation and amortization	21,929	9,162
Deferred taxes	5,659	6,710
Exchange differences	40	(9,748)
Closure mine provision	98	
Interest income subordinated loan	(1,108)	
(Increase) decrease in operational assets:		
Trade debtors, net	7,649	354
Sundry debtors and others	(4,076)	5,367
Inventories	(14,087)	4,561
Refundable taxes	(5,989)	1,593
Other assets	(107)	(939)
Increase (decrease) in operational liabilities:		
Accounts payable	(93)	6,823
Accounts payable to related companies - net	8,553	2,245
Income tax payable		(7,417)
Accruals and withholdings	(6,764)	
Net cash provided by operating activities	<u>74,998</u>	<u>41,326</u>
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Purchase of fixed asset, net	(9,331)	(24,464)
Incorporation of developments costs, net	-	(11,525)
Net cash used in investment activities	<u>(9,331)</u>	<u>(35,989)</u>
TOTAL POSITIVE CASH FLOWS FOR THE PERIOD	65,667	5,337
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>162,408</u></u>	<u><u>176,918</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\$)

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 Superintendence 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. Basis 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 March 31, 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 period were translated into US dollars at the observed exchange rate published by the Chilean Central Bank of Ch\$524.46 per US\$1 in 2010 (Ch\$583.26 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, 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 periods 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, including the benefit contracted as well as the contractual benefit resulting from mine closure, 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 March 31, 2009.

3. TIME DEPOSITS

This item includes time deposits as follows:

Time deposits	Currency	2010 ThUS\$	2009 ThUS\$
Time deposits overseas	US\$	7,800	35,960
Local financial investments	Ch\$		77,073
	US\$	<u>149,342</u>	<u>62,003</u>
Total time deposits		<u><u>157,142</u></u>	<u><u>175,036</u></u>

4. MARKETABLE SECURITIES

The detail of investments in marketable securities is as follows:

	2010 ThUS\$	2009 ThUS\$
Mutual Funds- Banco Estado	<u><u>5,053</u></u>	<u><u> </u></u>

5. TRADE DEBTORS, NET

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

	2010	2009
	ThUS\$	ThUS\$
Foreign clients:		
Europe	23,877	8,249
Latin America	6,489	5,216
Asia Pacific	26,651	7,574
North America	3,729	2,207
	<hr/>	<hr/>
Total foreign clients	60,746	23,246
	<hr/>	<hr/>
Domestic clients:	1,297	5,743
	<hr/>	<hr/>
Total	<u>62,043</u>	<u>28,989</u>

6. INVENTORIES

Inventories of the Company are as follows:

	2010	2009
	ThUS\$	ThUS\$
Finished products	15,517	6,689
Products in process	127,660	20,135
Materials, raw materials and parts	16,243	12,759
	<hr/>	<hr/>
Total	<u>159,420</u>	<u>39,583</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	164,931	102,158
Buildings and construction	28,840	28,737
Infrastructure	<u>33,751</u>	<u>33,751</u>
Total buildings and infrastructure	<u>227,522</u>	<u>164,646</u>
Machinery and equipment:		
Machinery and equipment	56,438	55,714
Mobile equipment	85,391	84,264
Minor equipment	4,643	4,595
Auxiliary equipment	<u>5,484</u>	<u>5,484</u>
Total machinery and equipment	<u>151,956</u>	<u>150,057</u>
Other fixed assets:		
Equipment	12,152	10,294
Computer equipment, software and hardware	908	908
Furniture	87	87
Leased assets	457	457
Construction in progress	1,760	2,238
Ongoing projects	12,068	141,244
Active cost mine site closure (Note 9)	<u>7,633</u>	<u>1,531</u>
Total other fixed assets	<u>35,065</u>	<u>156,759</u>
Total fixed assets, gross	<u>656,373</u>	<u>713,292</u>
Total accumulated depreciation and amortization	<u>(258,894)</u>	<u>(172,230)</u>
Total fixed assets, net	<u><u>397,479</u></u>	<u><u>541,062</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
Trademarks, patents	2,364	2,364
Pre-operational expenses ROM	1,068	
Pre-operational expenses Tesoro Noreste	93,005	
	<u>214,986</u>	<u>120,913</u>
Total mine development costs, gross		
	<u>(93,910)</u>	<u>(52,371)</u>
Accumulated amortization		
Total mine development costs, net	<u><u>121,076</u></u>	<u><u>68,542</u></u>

9. ACCRUALS AND WITHHOLDINGS

This detail of this item is as follows:

	2010 ThUS\$	2009 ThUS\$
Short-term:		
Operations	24,766	18,819
Freight, insurance, export commissions	<u>1,708</u>	<u>855</u>
Subtotal accruals	26,474	19,674
Withholdings	<u>5,328</u>	<u>2,931</u>
Total short-term	<u><u>31,802</u></u>	<u><u>22,605</u></u>
Long-term:		
Severance indemnity	6,700	5,422
Mine closure (a)	<u>10,761</u>	<u>3,461</u>
Total long-term	<u><u>17,461</u></u>	<u><u>8,883</u></u>

(a) 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 the recognition of an asset with a value of ThUS\$7,633, which is stated in Other Fixed Assets (Note 7) and will be depreciated using the straight line method until December 31, 2019, and Restoration or remediation cost, which is considered an administrative expense in the period in which it is incurred or accrued and, at March 31, 2010, represents a value of ThUS\$25.

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)	6,302	6,142
Monthly provisional payments (net)	7,342	625
Other monthly and annual refundable credits	<u>1,389</u>	<u>23,847</u>
Total short-term	<u><u>15,033</u></u>	<u><u>30,614</u></u>
Other assets:		
Additional tax for technical advisory services	1,008	906
Long-term tax credits	<u>364</u>	<u>816</u>
Total long-term	<u><u>1,372</u></u>	<u><u>1,722</u></u>

Short-term recoverable taxes include the provisional monthly payment balance, net of 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 March 31, 2010 and 2009 was calculated based on net taxable income of ThUS\$54,212 (ThUS\$10,741 negative 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 negative of ThUS\$3,125 (ThUS\$22,075 in 2009).

At March 31, 2010 and 2009, the income tax and specific mining tax provisions are classified as refundable taxes under current assets, net of monthly provisional payments and other credits.

	2010 ThUS\$	2009 ThUS\$
Income tax provision for the period	9,216	(1,826)
Specific mining tax provision for the period	(125)	883
Monthly provisional payments - First category tax	(8,400)	1,826
Monthly provisional payments - Specific mining tax		133
Other credits	<u>(691)</u>	<u>(1,016)</u>
Total income tax payable	<u><u>-</u></u>	<u><u>-</u></u>

c. Deferred taxes

At March 31, 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	263				229			
Bonus accrual	128				84			
Severance indemnity		644				544		
Accrual for mine closure, net		686				467		
Accruals and others	81	94			30	72	856	
Indirect manufacturing costs			9,726				524	
Depreciation of fixed assets				32,340				28,274
Preoperating expenses				21,979				30,616
Specific mining tax			2,155	51			206	441
Total deferred taxes	<u>472</u>	<u>1,424</u>	<u>11,881</u>	<u>54,370</u>	<u>343</u>	<u>1,083</u>	<u>1,586</u>	<u>59,331</u>

The net balances of short-term deferred taxes of ThUS\$11,409 (ThUS\$1,243 in 2009), and long-term deferred taxes for ThUS\$52,946 (ThUS\$58,248 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	9,216	(1,826)
Specific mining tax	(125)	883
Deferred taxes:		
Changes in deferred taxes	<u>5,659</u>	<u>6,710</u>
Total	<u>14,750</u>	<u>5,767</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 annual tons. 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 March 31, 2010:

At March 31, 2010, the Company maintains five forward price contracts (COMEX/ LME arbitration) for 5,000 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.

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 March 31, 2010, de Company has no Min-Max fine copper options.

c. The result of operations realized during the period:

Operations	2010	2009
	ThUS\$	ThUS\$
Mix-Max Options		9,432
COMEX/ LME Arbitration	<u>255</u>	<u>(5)</u>
Operating income	<u><u>255</u></u>	<u><u>9,427</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			22,615	22,615
			<hr/>	<hr/>
Balance at March 31, 2009	90,995	758,973	22,615	872,583
			<hr/>	<hr/>
Balance at January 1, 2010	90,995	658,973	140,626	890,594
Transfer of income		140,626	(140,626)	
Net income for the period			63,294	63,294
			<hr/>	<hr/>
Balance at March 31, 2010	90,995	799,599	63,294	953,888
			<hr/>	<hr/>

- b. At March 31, 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	54	26
Minera Esperanza	Indirect	29,155	209
Minera Michilla S.A.	Indirect		75
		<u>29,209</u>	<u>310</u>
Total		<u>29,209</u>	<u>310</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	23,961	90,000
Minera Esperanza	Indirect	Subordinated Debt	103,217	
			<u>127,178</u>	<u>90,000</u>
Total			<u>127,178</u>	<u>90,000</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 should start 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 for 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	52	210
Minera Michilla S.A.	Indirect	42	95
Minera los Pelambres	Indirect	15	13
Minera Esperanza	Indirect	688	
Aguas de Antofagasta S.A.	Indirect	464	450
Transportes Integrados S.A.	Indirect	304	
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	653	1,164
Total		2,218	1,932

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	360	303	388	326
		AMSA project services	65	(55)	27	(23)
Compañía Contractural Minera Leonor	Shareholder	Royalties	3,158	3,158	1,334	1,334
Minera Michilla S.A.	Indirect	Purchase of supplies	367	309	375	315
		Sale of supplies	259	(217)	797	(670)
		Lease of terminal	108	91	223	187
Minera Esperanza	Indirect	Sundry services	428	(360)	341	(287)
		Purchase of ore	9,840	8,269		
		Accrued Interest	1,108	(1,108)		
Minera Los Pelambres	Indirect	Outsourcing services	47	40	39	32
Antofagasta Railway Company Plc. (Agency in Chile)	Indirect	Transportation	2,317	1,947	2,882	2,422
Aguas de Antofagasta S.A.	Indirect	Water	1,370	1,151	2,983	2,507
Artikos	Indirect	Administrative services	3	3	7	6
Madeco Brass Mill	Indirect	Supplies	128	108	14	12
Otras relacionadas	Indirect	Others	29	24	88	74

14. OTHER INCOME AND EXPENSES

At March 31 of each period, the detail is as follows:

	2010	2009
	ThUS\$	ThUS\$
Other income:		
Sales and extraordinary services	169	142
Indemnities received	<u>158</u>	<u>451</u>
Total	<u><u>327</u></u>	<u><u>593</u></u>
Other expenses:		
Disposal of damaged fixed assets	244	879
Forgiving of housing loan	26	32
Others	<u>7</u>	<u>2</u>
Total	<u><u>277</u></u>	<u><u>913</u></u>

15. CONTINGENCIES, COMMITMENTS AND GUARANTEES

- a. The Company has deposits in guarantee for ThUS\$32 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\$1.042, case number 7889-2004, which is in the second instance in the court of appeal. It also has a dispute for a ThUS\$33 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

Between April 1, 2010 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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