AURCANA CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2007

(Un-audited – prepared by Management)

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MANAGEMENT COMMENT

These interim consolidated financial statements for the nine months ended 30 September 2007 of Aurcana Corporation have been prepared by management and have not been subject to review by the Company's auditors

AURCANA CORPORATION
Interim Consolidated Balance Sheets
(Unaudited – Prepared by Management)

ASSETS		30 September 2007		31 December 2006
Current				
Cash	$	**14,820,238**	$	2,011,458
Accounts receivable - trade		**1,008,226**		-
- other		**1,545,550**		8,350
Prepaid expenses and advances		**120,405**		199,829
Inventory		**295,915**		-
		17,790,334		2,219,637
Property, Plant and Equipment *(Note 5)*		**3,223,937**		2,638,469
Mineral Properties *(Note 7, Note 11)*		**11,966,936**		8,163,982
	$	**32,981,207**	$	13,022,088

LIABILITIES				
Current				
Accounts payable *(Note 11)*	$	**1,652,515**	$	108,025
Current portion of notes payable *(Note 8)*		**356,191**		334,031
Acquisition liability *(Note 6)*		**-**		1,166,400
Loan payable *(Note 9)*		**795,840**		934,865
Due to Reyna Mining & Engineering S.A. de C.V. *(Note 6)*		**721,230**		598,502
		3,525,776		3,141,823
Due to Reyna Mining & Engineering S.A. de C.V. ***(Note 6)***		**-**		844,698
Notes Payable ***(Note 8)***		**470,748**		761,431
		470,748		4,747,952
SHAREHOLDERS' EQUITY				
Capital Stock *(Note 10)*		**45,840,283**		24,205,811
Obligation to Issue Shares *(Note 6)*		**200,000**		400,000
Contributed Surplus *(Note 10)*		**4,205,724**		1,555,853
Deficit		**(21,261,323)**		(17,887,528)
		28,984,682		8,274,136
	$	**32,981,207**	$	13,022,088

Commitments *(Note 13)*

Approved on behalf of the Board:

"Ken Booth"
______________________, Director
Ken Booth

"Brian Flower"
______________________, Director
Brian Flower

- See Accompanying Notes -

- See Accompanying Notes -

AURCANA CORPORATION
Interim Consolidated Statements of Operations and Deficit
(Unaudited – Prepared by Management)

	Three Months Ended **30 September 2007**	Three Months Ended 30 September 2006	Nine Months Ended **30 September 2007**	Nine Months Ended 30 September 2006
Sales	$ **3,936,456**	$ -	$ **3,936,456**	$ -
Cost of Sales	**2,742,136**	-	**2,742,136**	-
Gross Margin	**1,194,320**	-	**1,194,320**	
Administrative Expense (*Note 11)*	**543,449**	93,948	**859,921**	327,247
Amortization	**198,594**	24,263	**199,942**	24,354
Depletion of mineral properties	**699,970**	-	**699,970**	-
Foreign Exchange Loss (Gain)	**49,350**	(139,884)	**102,208**	(63,197)
Interest and Financing	**(284,218)**	(1,508)	**(411,493)**	(12,916)
Investor Relations	**86,023**	5,455	**150,686**	5,455
Listing and Filing Fees	**7,290**	4,588	**36,271**	15,169
Professional Fees	**38,284**	-	**66,989**	14,299
Stock-Based Compensation	**-**	1,367,348	**2,863,621**	1,367,348
	1,338,742	1,354,210	**4,568,115**	1,677,759
(Loss) Before the Under-Noted	**(144,422)**	(1,354,210)	**(3,373,795)**	(1,677,759)
Other Income	**-**	143,961	**-**	143,961
Write Off Mineral Property Costs	**-**	-	**-**	(157,759)
Net (Loss) for the Period	**(144,422)**	(1,210,249)	**(3,373,795)**	(1,691,557)
Deficit, beginning of period	**(21,116,901)**	(16,121,971)	**(17,887,528)**	(15,640,663)
Deficit, End of Period	$ **(21,261,323)**	$ (17,332,220)	$ **(21,261,323)**	$ (17,332,220)
(Loss) Per Share	$ **(0.00)**	$ (0.01)	$ **(0.04)**	$ (0.03)
weighted average number of shares Basic and Diluted	**90,368,933**	68,456,171	**82,783,514**	51,010,650

- See Accompanying Notes -

AURCANA CORPORATION
Interim Consolidated Statement of Cash Flows
(Unaudited – Prepared by Management)

Cash Resources Provided by (Used In)	Three Months Ended **30 September 2007**	 30 September 2006	Nine Months Ended **30 September 2007**	 30 September 2006
Operating Activities				
(Loss) for the period	$ **(144,422)**	**$** (1,210,249)	$ **(3,373,795)**	**$** (1,691,557)
Items not involving cash				
Amortization	**198,594**	24,263	**199,942**	24,354
Depletion of mineral property	**699,970**	-	**699,970**	-
Stock-based compensation	**-**	1,367,348	**2,863,621**	1,367,348
Write-off of mineral properties	**-**	-	**-**	157,759
	754,142	181,362	**389,738**	(142,096)
Net change in non-cash working capital	**(129,12)**	1,176,535	**1,213,465**	1,003,905
	625,030	1,357,897	**(823,727)**	861,809
Investing Activities				
Purchase of plant and equipment	**(330,771)**	(2,672,309)	**(785,410)**	(2,862,521)
Expenditures on mineral properties	**(1,495,895)**	(120,805)	**(4,502,924)**	(2,867,543)
	(1,826,666)	(2,793,114)	**(5,288,334)**	(5,730,064)
Financing Activities				
Due to Reyna Mining	**(73,246)**	-	**(721,970)**	-
Long-term debt	**(67,186)**	-	**(268,523)**	-
Share capital issued for cash	**-**	639,284	**20,050,359**	8,026,646
Loan Payable	**(310,096)**	-	**(139,025)**	-
	(450,528)	639,284	**18,920,841**	8,026,646
Net Increase (Decrease) in Cash	**(1,652,164)**	(795,933)	**12,808,780**	3,158,391
Cash position - beginning of period	**16,472,402**	3,990,984	**2,011,458**	36,660
Cash position - End of Period	$ **14,820,238**	**$** 3,195,051	$ **14,820,238**	**$** 3,195,051
Supplemental Cash Flow Information				
Issue of shares for mineral properties	$ **1,370,221**	**$** -	$ **1,370,221**	**$** 200,000

1. CONTINUED OPERATIONS

The Company was originally incorporated under the laws of Ontario in 1917 and on 14 September 1998 was continued under Section 187 of the *Canada Business Corporations Act.* Its principal business activity is the exploration and development of natural resource properties.

These financial statements are presented in Canadian dollars unless otherwise noted.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These unaudited interim financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("GAAP") based on accounting policies and practices consistent with those used in the preparation of the annual audited consolidated financial statements. The interim consolidated financial statements do not include all information and note disclosures required by Canadian GAAP for annual financial statements, and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended 31 December 2006.

Principles of consolidation

These financial statements include the accounts of Aurcana Corporation and its wholly-owned subsidiaries, Aurcana de Mexico S.A. de C.V. and Minera Aurcana S.A. de C.V., both Mexican corporations. All significant intercompany balances and transactions have been eliminated.

These financial statements include the Company's 80% proportionate share of the assets, liabilities, income and expenses of its joint venture investment in Real de Maconi S.A. de C.V., a Mexican corporation, which has a 100% interest in Minera La Negra S.A. de C.V., a Mexican corporation.

Inventory

Mine stores and finished concentrates are valued at the lower of average cost and net realizable value. Cost of finished concentrates inventory includes direct mining and production costs, direct mine overhead costs, amortization and depletion. Cost of sales includes costs of finished concentrates plus shipping costs less amortization and depletion, which is disclosed separately in the statement of income.

Amortization, Depletion and Impairment

Mining machinery, plant and property are depleted on a unit of production basis, based on estimated recoverable reserves. Estimated recoverable reserves include proven and probable reserves and the portion of mineralized zones expected to be classified as reserves.

The carrying values of producing mineral properties and fixed assets, are reviewed when events or changes in circumstances arise that may result in impairments in the carrying value of those assets. An impairment loss would be recognized when the carrying amount of a long-lived asset is not recoverable and exceeds the assets' fair value which is based on the present value of expected future net cash flow. Estimated future net cash flow, on an undiscounted basis, is calculated for each property using: estimated recoverable reserves; estimated future metal price realization (considering historical and current prices, price trends and related factors); and, estimated operating, capital and other cash flow. Estimates of future cash flow

2. SIGNIFICANT ACCOUNTING POLICIES

Amortization, Depletion and Impairment *continued*

are subject to risks and uncertainties. It is possible that changes could occur which may affect the recoverability of the carrying value of mineral properties.

Plant and equipment is amortized on a straight-line basis over their estimated useful lives. Property, plant and equipment that are currently not in use or that are under development will not be amortized until such property, plant and equipment are put into use.

In accordance with EIC 152 - "Mining Assets - Impairment and Business Combinations" the Company includes value beyond proven and probable reserves in its estimate of future cash flow when testing for impairment and determining fair value.

Financial Instruments

Effective January 1, 2007, the Company adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants:

i) Section 3855 – Financial Instruments – Recognition and Measurement This standard prescribes when a financial asset, financial liability, or non-financial derivative is to be recognized on the balance sheet and whether fair value or cost-based methods are used to measure the recorded amounts. It also specifies how financial instrument gains and losses are to be presented. The adoption of this standard had no significant effect on these financial statements.

ii) Section 1530 – Comprehensive Income – This standard requires the presentation of a statement of comprehensive income and its components. Comprehensive income includes both net earnings and other comprehensive income. Other comprehensive income includes holding gains and losses on available for sale investments, gains and losses on certain derivative instruments and foreign currency gains and losses relating to self-sustaining foreign operations, all of which are not included in the calculation of net earnings until realized. The adoption of this standard had no significant effect on these financial statements.

iii) Section 3865 – Hedges - This standard is applicable when a company chooses to designate a hedging relationship for accounting purposes. It builds on the previous AcG–13 "Hedging Relationships" and Section 1650 "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied. The adoption of this standard had no significant effect on these financial statements.

3. COMPARATIVE FIGURES

Certain of the 2006 comparative figures have been reclassified to conform to the current period´s presentation.

4. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, accounts receivable, accounts payable and accrue liabilities, acquisition liability, and loan payable approximate their fair values because of the short-term maturity of these financial instruments.

The carrying value of notes payable approximates their fair value as this financial instrument bears interest at an approximate market rate of interest.

Credit risk

The Company's financial assets that are exposed to credit risk consist primarily of cash and accounts receivable. This risk is minimized to the extent that cash is placed with major financial institutions and accounts receivable consist of amounts due from Government Agencies.

Currency risk

The Company is exposed to foreign currency fluctuations to the extent expenditures incurred by the Company are not denominated in Canadian dollars. As at 30 September, the Company had investments in mineral properties that require the Company to make payments in US dollars and Mexican pesos, and US dollar and Mexican pesos work commitments. The Company's ability to make these payments to satisfy its obligations for work commitments will be affected by foreign currency rate fluctuations. The Company does not utilize derivatives or other techniques to manage foreign currency risk.

As at 30 September 2007, the Company had US $5,078,898 (31 December 2006 $279,037) and Mexican pesos $2,710,790 (31 December 2006 $528,815) on hand.

5. PLANT AND EQUIPMENT

Details are as follows:

	Cost	Accumulated Amortization	30 S 2007 Net Book Value	31 December 2006 Net Book Value
Plant & equipment	$ 2,879,302	300,966	$ **2,578,336**	$ 2,380,439
Vehicles	282,233	17,669	**264,564**	125,822
Computer equipment	348,294	23,262	**325,032**	124,772
Other	63,114	7,109	**56,005**	7,436
	$ 3,572,943	349,006	$ **3,223,937**	$ 2,638,469

Amortization is taken on plant and equipment when they are put into use.

6. ACQUISITION

On 24 March 2006, under the terms of the LOI, the Company and Reyna entered into a formal joint venture agreement (“JV Agreement”) to jointly develop the La Negra Property (the “Joint Venture”). The Joint Venture’s assets, liabilities and operations will be held by Maconi. Under the terms of the JV Agreement, Reyna will transfer all the legal rights and obligations acquired through the Penoles LOI, valued in the JV Agreement at US $1,500,000, in return for a 20% interest in the Joint Venture. The Company acquired its 80% interest in the Joint Venture by making the following contributions to the Joint Venture:

(i) US $2,000,000 upon subscription by the Company (paid);
(ii) US $1,000,000 within 10 working days prior to the first anniversary of the Company’s subscription (contributed by common shares issued as disclosed below).
(iii) US $1,500,000 within 5 working days after the date of the Joint Venture’s 100% acquisition of Minera La Negra (paid); and
(iv) US $1,500,000 within 60 working days after the date of the Joint Venture’s 100% acquisition of Minera La Negra (paid).

The terms of the JV Agreement, the Company is to make the following payments to Reyna as consideration for signing the JV Agreement:

Payments in cash totalling US $1,250,000:

(v) US $25,000 upon signing (paid);
(vi) US $500,000 12 months from the date of acquisition of Minera La Negra by the Joint Venture (paid); and
(vii) US $725,000 24 months from the date of acquisition of Minera La Negra by the Joint Venture.

Payments in common shares of the Company:

(viii) 1,000,000 ($200,000) common shares 30 calendar days from the date of acquisition of Minera La Negra by the Joint Venture (issued);
(ix) 1,000,000 ($200,000) common shares 12 months from the date of acquisition of Minera La Negra by the Joint Venture (issued); and
(x) 1,000,000 ($200,000) common shares 24 months from the date of acquisition of Minera La Negra by the Joint Venture.

The capital stock obligations were measured at the fair value of the Company’s common shares on the agreement date and those unfulfilled have been reflected as “Obligation to Issue Shares”.

The Company also issued to Reyna 1,000,000 warrants, each warrant entitling Reyna to purchase one common share for $0.25 on or before May 18, 2008. The warrants were fair valued at $293,099 using the Black Scholes option pricing model.

The cash, common shares and fair value of warrants paid to Reyna have been included in, “Investment in and Expenditures on Mineral Properties”. A finder’s fee of US $170,000 was paid in cash.

6. ACQUISITION *continued*

On May 18, 2006, Maconi signed a formal purchase agreement with Penoles whereby the Joint Venture will acquire 100% of Minera La Negra for US $3,000,000 (the “purchase price”) to be paid as follows:

(i) US $2,000,000 upon execution of the purchase agreement (paid); and
(ii) US $1,000,000 12 months from the date of execution of the purchase agreement.

Upon execution of the purchase agreement, the Company will own 80% of the La Negra Property and Reyna the remaining 20% through their respective interests in the Joint Venture.

During the first quarter, Maconi and Penoles agreed to amend the terms of the Purchase Agreement whereby the remaining US $1,000,000 owed to Penoles by the Joint Venture (note 6(ii)) was settled by the issuance of 1,114,631 common shares of the Company. This share issuance was a contribution by the Company to the Joint Venture in settlement of the Company’s required contribution in note 6(ii) above.

The Company’s consolidated statements of operations and deficit include its 80% share of the operating results of Minera La Negra from the date of acquisition.

The Company’s proportionate interest on acquisition of Minera La Negra has been allocated as follows:

Purchase price	$ 2,579,280
Fair market value of net assets acquired	
Cash	2,355
Accounts receivable	32,225
Plant	824,976
Mineral property	1,747,580
	2,607,136
Liabilities	(27,856)
	2,579,280
Purchase price discrepancy	$ -

7. MINERAL PROPERTIES

Expenditures incurred on mineral properties are as follows:

	La Negra, Mexico	Rosario, Mexico	Total
Balance, 31 December 2006	$ 8,163,982	$ -	$ 8,163,982
Acquisition costs	-	553,150	553,150
Mineral Property expenditures	2,905,137	1,044,637	3,949,774
Depletion	(699,970)	-	(699,970)
Balance, 30 September 2007	$ 10,369,149	$ 1,597,787	$ 11,966,936

La Negra Mine, Queretaro State, Mexico

The Company holds an 80% interest in the La Negra Property (note 6). During the quarter the Company entered full operations and began recognizing revenue

Rosario Property, Mexico

On 22 February 2007, the Company received Exchange approval to enter into an Option Agreement to acquire, through its subsidiary, Aurcana de Mexico, an 100% interest in a silver-zinc-lead-gold Property, Rosario (Rosario) located in Sinaloa State, Mexico for $US 3,000,000.

Under the terms of the Option Agreement, the Company had the exclusive option to purchase the Rosario Property ("Option to Purchase"). Following its technical and legal review of the Rosario Property, the Company on 7 August 2007 exercised the Option to Purchase and executed a Sale and Purchase Agreement to acquire a 100% undivided interest in Rosario, under the following terms

22 February 2007	US $250,000 upon signing the option agreement (paid)
7 August 2007	US $250,000 upon signing the purchase agreement (paid)
7 February 2008	US $1,250,000
7 February 2009	US $ 1,250,000

8. NOTES PAYABLE

The notes are for the purchase of mining equipment and are repayable to Atlas Copco They are interest bearing at 8.68% and are repayable in quarterly instalments of between US $9,308 and US $40,733, including principal and interest, over a three-year period by the Joint Venture. At 30 September 2007, the Company's proportionate share outstanding was as follows:

Notes payable	$	826,939
Current portion		(356,191)
Long-term	$	470,748

The Company's proportionate share of repayments due in each of the next three years is as follows:

For the 12 months ended September	
2008	356,191
2009	327,204
2010	143,544
	826,939

9. LOANS PAYABLE

The first of two Loans is financing provided to the Joint Ventures by its principle customer, Trafigura Beheer B.V. ("Trafigura"). It bears interest at LIBOR (three months) plus 2% and is guaranteed 100% by the Company. The interest is payable monthly and the principle is to be repaid in monthly installments of US $100,000 starting in January of 2008.

During the nine month period Trafigura provided an additional loan of US $500,000. The Joint Venture is obligated to repay the additional Loan in monthly installments of US $57,645 plus interest from April 1, 2007 to October 1, 2007 and on December 1, 2007. On November 1, 2007, the Company must make a US $100,000 payment (paid subsequent to the period). In relation to this contract, Minera La Negra signed a purchase contract with Trafigura whereby Trafigura agreed to purchase 100% of the zinc concentrate to be produced during the year 2007 by the La Negra Mine based on published prices in the Metal Bulletin in London in US dollars.

10. CAPITAL STOCK

Authorized
Unlimited number of common shares
Unlimited Class "B" preference shares

Issued and outstanding:

	30 September 2007		30 September 2006	
$	Shares	Amount	Shares	Amount
Balance – Beginning of period	70,929,302	24,205,811	31,800,730	15,681,976
Private placement	16,850,000	21,000,000	23,382,272	4,957,800
Issuance for acquisition liability	1,114,631	1,170,361		
Exercise of options	475,000	280,250	725,000	84,000
Exercise of warrants	-	-	12,246,300	3,089.075
Fair value of options exercised	-	213,750	1,400,000	128,000
Shares issued for property	1,000,000	200,000	1,000,000	200,000
Share issue costs	-	(1,229,890)	-	(148,229)
Balance – End of period	90,368,933	45,840,282	69,829,302	23,957,422

During the 9 month period ended 30 September 2007, the Company had the following capital stock transactions:

On March 7, 2007, the Company closed the brokered portion of a private placement and issued 4,000,000 units at a price of $1.25 per Unit for total gross proceeds of $5,000,000. Canaccord Capital Corporation acted as the agent (“Agent”) for the brokered portion of the financing.

On March 9, 2007, the Company closed a non-brokered private placement for 12,800,000 Units at a price $1.25 per Unit for total gross proceeds of $16,000,000.

Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at any time up to 18 months after the closing of the private placement at a price of $1.85 per share; provided that if the closing price of the Company’s shares as traded on the Exchange, subsequent to four months from closing, is at or over $3 per share for 20 consecutive trading days, the Company will have the right to accelerate the expiry of the Warrants upon giving 30 days’ notice to the holders thereof.

The Company paid the Agent a commission of $350,000 representing 7% of the gross proceeds of the private placement and issued the Agent 50,000 common shares of the Company in payment of a corporate finance fee. In addition, the Agent received 280,000 Agent’s warrants representing 7% of the Units sold. Each Agent’s Warrant is exercisable at any time up to 18 months following the closing of the private placement at an exercise price of $1.50 per share.

10. CAPITAL STOCK *continued*

The Company, in connection with the non-brokered private placement, paid a finder's fee of 5% of the gross proceeds and warrants representing 5% of the gross Units sold on a portion of the financing. The warrants are exercisable at any time up to 18 months following the closing of the private placement at an exercise price of $1.50 per share.

Issued 1,000,000 ($200,000) common shares to Reyna Mining for the acquisition of Minera La Negra *(note 6)*

Issued 1,114,631 (1,170,361) shares to Penoles to retire the acquisition liability.

Issued 475,000 shares on the exercise of options.

Stock options

The Company has a stock option plan whereby the Company may grant options to directors, officers, employees and consultants of up to 10% of the common shares outstanding at the time of grant. The exercise price, term and vesting period of each option are determined by the board of directors within regulatory guidelines.

During the period ended 30 September 2007 the change in stock options was as follows:

	2007	2006
`	**3,075,000**	1,525,000
Granted	**2,500,000**	3,050,000
Forfeited	**-**	-
Exercised	**(475,000)**	(1,400,000)
Options outstanding – End of period	**5,100,000**	3,175,000

The weighted average exercise price of the stock options outstanding at 30 September 2007 was $1.00 and the weighted average remaining life of the options is 4.14 years.

Stock options outstanding and exercisable as at 30 September 2007 are as follows:

Expiry Date	Exercise Price	Number of Shares
28 September 2008	$ 0.13	20,000
18 November 2008	$ 0.14	5,000
18 August 2011	$ 0.59	1,975,000
24 August 2011	$ 0.59	600,000
22 March 2012	$ 1.50	2,200,000
30 March 2012	$ 1.65	300,000
		5,100,000

During the nine month period ended 30 September 2007, the Company granted 2,200,000 stock options at a price of $1.50.and 300,000 stock options at a price of $1.65 per common share to various directors, officers and consultants of the Company. The options were granted in accordance with the terms of the Company's 10% Rolling Stock Option Plan approved 11 August 2006, which can be exercised for periods of between two to five years.

All options outstanding at 30 September 2007 have vested.

10 CAPITAL STOCK *continued*

Stock Based Compensation

For the period ended 30 September 2007, the Company applied the fair value method in accounting for its stock options granted to directors, officers and consultants by using the Black-Scholes option pricing model.

For the nine month periods ended 30 September the stock-based compensation expense was $2,863,621 (2006 - $nil). The fair value of stock options granted as above is calculated using the following weighted average assumptions:

	2007
Risk free interest rate	**4.00%**
Expected stock price volatility	**98.34%**
Expected dividend yield	**0.00%**
Expected option life in years	**4.96**

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Contributed surplus

During the periods ended 30 September the change in contributed surplus was as follows

	2007	2006
Balance - Beginning of period	$ **1,555,853**	$ 174,924
Fair value of stock-based compensation	**2,863,621**	-
Fair value of stock options exercised	**(213,750)**	-
Balance - End of period	$ **4,205,724**	$ 174,924

Share purchase warrants

During the periods ended 30 September the change in share purchase warrants was as follows:

	2007	2006
Balance - Beginning of period	**1,000,000**	1,000,000
Issued	**9,105,950**	-
Exercised	**-**	-
Balance - End of period	**10,106,950**	1,000,000

The weighted average exercise price of share purchase warrants outstanding at 30 September 2007 was $1.67 and the weighted average life of the share purchase warrants outstanding at 30 September 2007 was 1.31 years

Share purchase warrants outstanding as at 30 September 2007 are as follows:

Expiry Date	Exercise Price	Number of Warrants
May 18, 2008	$ 0.25	1,000,000
November 7, 2008	$1.85	2,000,000
November 9, 2008	$1.85	6,400,000
November 9, 2008	$1.50	705,950

11. RELATED PARTY TRANSACTIONS

During the 9 month period ended September 30, 2007, the Company paid or accrued

- Management fees of $112,875 (2006 - $75,250) to a company controlled by common directors;
- Administrative management fees of $211,104 (2006 - $Nil) to a company controlled by a director in relation to the Company's La Negra and Rosario projects in Mexico;
- Technical, geological and consulting services of $58,550 (2006 - $35,255) to a company controlled by a director;
- consulting fees of $74,810 (2006 - $37,374) to a company controlled by an officer;
- consulting fees of $18,500 (2006 - $Nil) to an officer; and
- Rent of $19,300 (2006 – 22,500) to a company controlled by common directors;

As at September 30, 2007:

- Prepaid expenses and deposits included an amount of $6,625 (December 31, 2006 - $6,625) for management fees paid to a company controlled by common directors; and
- Accounts payable included $6,513 (December 31, 2006 - $37) to an officer and to a company controlled by an officer.

These fees were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

12. Sales and Economic Dependence

Details of sales generated from customers that individually account for approximately 10% or more of consolidated sales are as follows:

	2007
Number of large customers	**1**
Amount of sales to large customers	**3,936,456**
Total consolidated sales	**3,936,456**
Total percentage of consolidated sales generated from large customers	**100%**

The Company is economically dependent upon a single customer and upon the successful renewal or replacement of this contract at economic rates.

The Company has signed an exclusive multi-year sales agreement for the sale of all or substantially all of its concentrate from the La Negra mine.

13. COMMITMENTS

Supply agreement

On November 14, 2006, Minera La Negra signed a purchase contract with Trafigura Beheer B.V. ("Trafigura") whereby Trafigura agreed to purchase 100%, evenly spread from January to December, of copper concentrate to be produced during the years 2007, 2008 and 2009 by the La Negra Mine. Production is estimated to be 8,000 to 10,000 tons per year for prices based on the published prices in the Metal Bulletin in London in US dollars (note 9).

Office Lease

Effective October 1, 2006, the Company executed a lease for new office space for a period of 14.5 months less two days, expiring on December 13, 2007, at a monthly rate of $3,420 per month.

13. COMMITMENTS *continued*

Effective May 1, 2007, the Company executed a lease for new office space for a period of 36 months, expiring on May 31 2010. The minimum annual payments are as follows:

2007	18,095
2008	48,865
2009	49,914
2010	20,980