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Compañía Minera Milpo S.A.A.
Av. San Borja Norte 523
Lima, Peru

Gentlemen,

Golder Associates S.A. carried out an independent audit of the El Porvenir 31 December 2005 Ore Reserves and Resources, for compliance with the JORC and Canadian Code NI43-101. This included an assessment of the data quality, geological understanding, grade estimation, resource classification, mining economics and mine planning.

Golder Associates S.A. (Golder) has reviewed the resource estimates and ore reserves for the Porvenir deposit and has found that the figures provided by Compañía Minera Milpo S.A.A. (Milpo) are appropriate for public reporting under the Canadian NI43-101 standard and the JORC Code (2004).

The following table of the Milpo resource figures accepted by Golder is provided at the appropriate level of precision for public reporting.

| | Tonnes | Ag opt | Pb % | Zn % | Cu % |
|------------------------------------|------------------|---------------|-------------|-------------|-------------|
| Proven Reserves | 4,284,286 | 3.34 | 2.10 | 8.24 | 0.29 |
| Probable Reserves | 3,285,312 | 1.89 | 0.88 | 8.40 | 0.34 |
| Total Reserves | 7,569,598 | 2.71 | 1.57 | 8.31 | 0.31 |
| Measured Resources* | 907,811 | 4.51 | 2.82 | 6.00 | 0.21 |
| Indicated Resources* | 1,798,078 | 1.77 | 0.80 | 7.51 | 0.43 |
| Total Measured + Indicated* | 2,705,889 | 2.69 | 1.48 | 7.00 | 0.35 |
| Inferred Resources* | 13,573,662 | 1.05 | 0.35 | 7.39 | 0.50 |

**The Mineral Resources are additional to the Mineral Reserves.*

Golder accepts the procedure adopted by Milpo to convert resources into mineable reserves. The numbers have been checked and are believed to be appropriate for the purpose of public reporting in that they provide an acceptable prediction of the available Ore Reserves.

Conversion of the resource estimate to an ore reserve is based on an appropriate mine design. In particular dilution and mine recovery are properly addressed and supported by historical data. The tonnes and grades are reported at an appropriate economic cut-off grade based on documented costs and prices.

The Inferred Resource is the balance of material in the model that is not Measured or Indicated. Golder is satisfied that the limits of the model are reasonable. There is some extrapolation beyond the last drill sample in the Inferred material.

Thank you for the opportunity to advise you in this matter.

Yours faithfully,

GOLDER ASSOCIATES S.A.



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Principal
Ore Evaluation Services

cc. J Hinostroza