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**AUR RESOURCES INC. REPORTS NET EARNINGS OF US\$84.1 MILLION AND CASH FLOW FROM OPERATING ACTIVITIES OF US\$85.6 MILLION IN THE SECOND QUARTER OF 2007**

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(All dollar amounts are expressed in United States currency unless otherwise stated.)

TORONTO, ONTARIO – (Marketwire – Wednesday August 1, 2007) – Aur Resources Inc. (TSX: AUR; SSE: AUR) today announced net earnings and operating cash flow for the second quarter of \$84.1 million and \$85.6 million, respectively. Net earnings and operating cash flow for the first six months were \$141.9 million and \$164.6 million, respectively.

“Aur’s operating and financial results continue to exceed the 2007 operating plan as both metal production and prices remain strong” said Jim Gill, Aur’s President and CEO. “Aur shareholders who elect to receive Teck Cominco shares as a component of its cash plus share offer to purchase Aur will continue to benefit from the positive contribution Aur’s assets will make to the continued growth of Teck Cominco”.

**Second Quarter Highlights**

- Net Earnings of \$84.1 million, \$0.85 (CDN\$0.96) per share.
- Cash Flow from Operating Activities of \$85.6 million.
- Dividends of CDN\$4.9 million declared on June 1, 2007, paid to Aur shareholders July 3, 2007.
- Cash totaled \$594.3 million equal to \$6.04 (CDN\$6.43) per share as at June 30, 2007, \$128.0 million of which was restricted cash.
- Duck Pond Mine achieved commercial production.
- Positive initial drill results for Quebrada Blanca Hypogene Copper Deposit.

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**Teck Cominco Offer for Aur**

On July 17, 2007, Teck Cominco Limited made a CDN\$4.1 billion cash and share offer to purchase 100% of the shares of Aur.



## Management's Interim Discussion and Analysis

*The following is management's interim discussion and analysis of the consolidated financial position and results of operations and should be read in conjunction with the consolidated audited financial statements and management's discussion and analysis included in Aur's 2006 Annual Report.*

### Financial Results

#### Second Quarter

Mining revenues were \$214.4 million in the second quarter of 2007, compared to \$219.4 million for the same period in 2006. Net earnings were \$84.1 million, equal to \$0.85 per share for the quarter, a 10.4% decrease from net earnings of \$94.0 million or \$0.97 per share for the same quarter last year. Cash flow from operating activities was \$85.6 million, equal to \$0.87 per share, compared to \$151.7 million or \$1.57 per share in the second quarter of 2006. The decrease in cash flow was primarily due to a \$44.7 million reduction in non-cash working capital items, principally in taxes payable. Aur's consolidated unrestricted cash position increased by \$20.5 million to \$466.3 million and working capital increased by \$80.5 million to \$390.6 million from March 31, 2007.

Aur's realized copper price, including \$0.05 per pound of cathode sales premiums and a \$0.05 per pound of quotational period pricing adjustments, averaged \$3.57 per pound in the second quarter of 2007, compared to the LME average price for the quarter of \$3.47 per pound.

#### Six Months

Mining revenues were \$370.8 million for the six months ended June 30, 2007, approximately 4.6% higher than the \$354.5 million for the same period in 2006. Net earnings were \$141.9 million, equal to \$1.44 per share for the six months ended June 30, 2007, a 0.9% increase over net earnings of \$140.8 million or \$1.45 per share for the same period last year. Cash flow from operating activities was \$164.6 million, equal to \$1.67 per share in 2007, compared to \$227.7 million or \$2.35 per share in 2006. The decrease was primarily due to a \$60.9 million reduction in non-cash working capital items, primarily \$72.6 million of cash taxes paid during the six month period ended June 30, 2007, compared to \$37.7 million of cash taxes paid during the same period in 2006. Aur's consolidated unrestricted cash position at June 30, 2007 decreased by \$164.0 million to \$466.3 million from December 31, 2006, and working capital decreased by \$41.7 million to \$390.6 million.

Aur's realized copper price, including \$0.03 per pound of cathode sales premiums and \$0.02 per pound of quotational period pricing adjustments, averaged \$3.13 per pound during the six months ended June 30, 2007, compared to the LME average price of \$3.08 per pound for the year to date.



The following table presents a summary of Aur's Consolidated Statements of Operations for the periods ended June 30, 2007 and 2006:

	Three months ended June 30			Six months ended June 30		
	(\$000's)			(\$000's)		
	2007	2006	Change	2007	2006	Change
Mining revenues	214,366	219,442	(5,076)	370,778	354,546	16,232
Mining expenses	(58,070)	(40,017)	(18,053)	(104,414)	(79,220)	(25,194)
Depreciation & amortization	(13,528)	(7,225)	(6,303)	(25,289)	(14,715)	(10,574)
Mine closure & site restoration	(1,255)	(369)	(886)	(1,714)	(699)	(1,015)
ENAMI copper price participation	(7,563)	(11,453)	3,890	(12,846)	(15,733)	2,887
Non-controlling interests	(22,189)	(34,447)	12,258	(38,696)	(52,952)	14,256
<b>Operating earnings</b>	<b>111,761</b>	<b>125,931</b>	<b>(14,170)</b>	<b>187,819</b>	<b>191,227</b>	<b>(3,408)</b>
Business development	(2,518)	(2,041)	(477)	(3,678)	(3,886)	208
Administration	(2,149)	(2,123)	(26)	(4,474)	(4,959)	485
Interest on long-term debt	(3,155)	(2,110)	(1,045)	(6,335)	(4,219)	(2,116)
Stock-based compensation	(1,086)	(372)	(714)	(2,087)	(931)	(1,156)
Taxes	(24,927)	(30,870)	5,943	(44,755)	(46,598)	1,843
Interest income	6,784	5,351	1,433	14,046	9,229	4,817
Other	(585)	201	(786)	1,409	922	487
<b>Net earnings</b>	<b>84,125</b>	<b>93,967</b>	<b>(9,842)</b>	<b>141,945</b>	<b>140,785</b>	<b>1,160</b>
<b>Basic earnings per share</b>	<b>0.85</b>	<b>0.97</b>	<b>(0.12)</b>	<b>1.44</b>	<b>1.45</b>	<b>(0.01)</b>

## Metal Production and Sales

### Second Quarter

Metal production from the Andacollo, Quebrada Blanca and Duck Pond Mines in the second quarter of 2007 was 62.5 million pounds of copper 12.1 million pounds of zinc, 110,000 ounces of silver and 797 ounces of gold, compared to 53.9 million pounds of copper in the second quarter of 2006. Mining revenues were \$214.4 million in the second quarter of 2007, a \$5.1 million decrease from the same period in 2006. The decrease was primarily due to \$0.49 per pound lower realized copper prices, despite 3.6 million more pounds of copper being sold during the second quarter, compared to the same period in 2006.

Minesite cash operating costs were \$58.1 million in the second quarter of 2007, compared to \$40.0 million in 2006. Aur's cash operating cost per pound of copper sold was \$0.86 for the quarter, \$0.12 per pound higher than in the second quarter of 2006. Increased energy, reagent and labour costs were primarily responsible for the higher unit operating costs.

### Six Months

Metal production from the Andacollo, Quebrada Blanca and Duck Pond Mines for the six month period ended June 30, 2007 was 122.3 million pounds of copper, 15.3 million pounds of zinc, 145,000 ounces of silver and 1,100 ounces of gold, compared to 109.1 million pounds of copper in 2006. Aur produced 13.2 million more pounds of copper in 2007, compared to 2006, which included 9.3 million pounds produced from the Duck Pond Mine which commenced production in 2007. Mining revenues were \$370.8 million in 2007, a \$16.2 million increase over the same period in 2006. The increase was primarily due to 8.0 million more pounds of copper sold in 2007, compared to 2006, despite a \$0.16 per pound lower realized copper price.

Minesite cash operating costs were \$104.4 million for the six months ended June 30, 2007, compared to \$79.2 million in 2006. Aur's average cash operating cost per pound of copper sold, net of zinc, silver and gold credits was \$0.83 in 2007, \$0.09 per pound higher than in 2006. The higher unit operating costs resulted primarily from higher energy, reagent and labour costs in 2007, compared to 2006.



The following tables present the calculation of cash operating costs per pound of copper sold, net of by-product credits, for the three months and six months ended June 30, 2007 and 2006:

**Cash Operating Costs <sup>(1)</sup>**

	<b>Three months ended June 30</b>			
	<b>2007</b>		<b>2006</b>	
	<b>\$000's</b>	<b>\$/lb.</b>	<b>\$000's</b>	<b>\$/lb.</b>
Mining expenses	58,052	1.01	40,017	0.74
By-product credits				
Zinc	(7,657)	(0.13)	-	-
Silver	(701)	(0.02)	-	-
Gold	(243)	(0.00)	-	-
Cash operating costs	<u>49,451</u>	<u>0.86</u>	<u>40,017</u>	<u>0.74</u>
Copper sold (000's lbs.)	<u>57,637</u>		<u>54,002</u>	

**Cash Operating Costs <sup>(1)</sup>**

	<b>Six months ended June 30</b>			
	<b>2007</b>		<b>2006</b>	
	<b>\$000's</b>	<b>\$/lb.</b>	<b>\$000's</b>	<b>\$/lb.</b>
Mining expenses	104,414	0.90	79,220	0.74
By-product credits				
Zinc	(7,657)	(0.07)	-	-
Silver	(701)	(0.00)	-	-
Gold	(243)	(0.00)	-	-
Cash operating costs	<u>95,813</u>	<u>0.83</u>	<u>79,220</u>	<u>0.74</u>
Copper sold (000's lbs.)	<u>115,747</u>		<u>107,780</u>	

(1) Aur, and the mining industry in general, utilize unit cost, net of by-product credits, information to better understand costs and reporting period fluctuations. There are no industry standardized measures used in calculating unit cash costs and this data is intended only to provide information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP.

**Mine Operating Earnings <sup>(2)</sup>**

The following table presents a summary of mine operating earnings for the periods ended June 30, 2007 and 2006.

	<b>Three months ended</b>			<b>Six months ended</b>		
	<b>(\$000's)</b>			<b>(\$000's)</b>		
	<b>2007</b>	<b>2006</b>	<b>Change</b>	<b>2007</b>	<b>2006</b>	<b>Change</b>
Andacollo	29,049	30,426	(1,377)	52,729	50,851	1,878
Quebrada Blanca	118,156	148,999	(30,843)	204,544	224,475	(19,931)
Duck Pond	9,091	-	9,091	9,091	-	9,091
	<u>156,296</u>	<u>179,425</u>	<u>(23,129)</u>	<u>266,364</u>	<u>275,326</u>	<u>(8,962)</u>

(2) Mine operating earnings equals mining revenues less mining expenses.



## Mine Operating Cash Flow

Cash flow from mine operating activities was \$81.8 million in the second quarter of 2007 and \$161.5 million for the year to date, compared to \$154.2 and \$239.2 million for the same periods last year. The decreases were primarily due to the reductions in non-cash working capital principally taxes payable.

### *Andacollo Mine*

#### Second Quarter

The Andacollo Mine produced 10.0 million pounds of LME registered cathode copper during the second quarter of 2007, compared to 8.7 million pounds in the second quarter of 2006. A total of 5.4 million tonnes of rock, of which 0.9 million tonnes was heap leach ore, 0.3 million tonnes was dump leach ore and 2.4 million tonnes was capitalized pre-stripping of waste for the Hypogene Deposit currently under development was mined at a strip ratio of 1.6:1. A total of 3.7 million tonnes of rock, of which 1.0 million tonnes was heap leach ore and 0.7 million tonnes was dump leach ore was mined at a strip ratio of 1.9:1 in the second quarter of 2006.

Andacollo's revenues of \$36.8 million, generated from the sale of 9.8 million pounds of copper in the second quarter of 2007, were equivalent to the revenues of \$36.8 million in the second quarter of 2006. Cash operating costs were \$7.7 million; \$1.4 million higher than for the same period in 2006 principally due to the higher copper production. Cash operating costs were \$0.79 per pound of copper sold in the second quarter of 2007, \$0.06 per pound higher than in 2006, principally due to higher energy, reagent and labour costs. Cash flow from operating activities was \$16.7 million in the second quarter of 2007, compared to \$28.0 million in 2006. Expenditures on property, plant and equipment were \$7.2 million in the second quarter, including \$6.6 million on the development of the Hypogene Deposit, compared to \$3.0 million in 2006.

#### Six Months

Andacollo produced 21.6 million pounds of LME registered cathode copper during the six months ended June 30, 2007, compared to 20.4 million pounds for the same period in 2006. A total of 10.3 million tonnes of rock, of which 1.9 million tonnes was heap leach ore, 0.6 million tonnes was dump leach ore and 3.9 million tonnes was capitalized pre-stripping of waste for the Hypogene Deposit, was mined at a strip ratio of 1.7:1. A total of 8.3 million tonnes of rock, of which 1.9 million tonnes was heap leach ore and 1.1 million tonnes was dump leach ore mined at a strip ratio of 1.8:1 in 2006.

Andacollo's revenues of \$68.9 million, generated from the sale of 21.4 million pounds of copper for the six months ended June 30, 2007, were \$3.0 million higher than the revenues of \$66.0 million for the same period in 2006 as a result of higher copper sales. Cash operating costs were \$16.2 million, \$1.1 million higher than for the same period in 2006 for the same reasons as in the second quarter. The cash operating costs were \$0.76 per pound of copper sold, \$0.02 per pound higher than in 2006. Cash flow from operating activities was \$30.3 million for the six month period ended June 30, 2007, compared to \$49.1 million in 2006. Expenditures on property, plant and equipment were \$12.2 million, including \$11.2 million of development work on the Hypogene Deposit and \$1.0 million on sustaining capital, compared to \$5.4 million in 2006.



## **Quebrada Blanca Mine**

### Second Quarter

The Quebrada Blanca Mine produced 45.6 million pounds of LME registered cathode copper, compared to 45.3 million pounds in the second quarter of 2006. A total of 9.1 million tonnes of rock, of which 2.0 million tonnes was heap leach ore and 1.8 million tonnes was dump leach ore, was mined at a strip ratio of 1.4:1 in the second quarter of 2007, compared to 8.9 million tonnes of rock, of which 1.8 million tonnes was heap leach ore and 2.7 million tonnes was dump leach ore, at a strip ratio of 1.1:1 for the second quarter of 2006.

Quebrada Blanca's revenues, generated from the sale of 44.6 million pounds of copper, were \$157.3 million in the second quarter of 2007, compared to \$182.7 million generated from the sale of 45.4 million pounds of copper in 2006. The \$25.4 million decrease in revenues was primarily due to the \$0.50 per pound lower realized copper price. Cash operating costs of \$39.2 million were \$5.5 million higher than in the same period in 2006. Cash operating costs were \$0.88 per pound of copper sold, \$0.14 per pound higher than in the second quarter of 2006 due to higher energy, reagent, labour costs. Cash flow from operating activities was \$73.4 million in the second quarter of 2007 compared to \$126.2 million in 2006. Expenditures on property, plant and equipment were \$7.9 million in the second quarter, essentially all sustaining capital, compared to \$1.6 million in 2006.

### Six Months

The Quebrada Blanca Mine produced 91.4 million pounds of LME registered cathode copper for the six months ended June 30, 2007, compared to 88.7 million pounds for the same period in 2006. A total of 17.7 million tonnes of rock, of which 3.8 million tonnes was heap leach ore and 3.4 million tonnes was dump leach ore, was mined at a strip ratio of 1.5:1 compared to 17.2 million tonnes of rock, of which 3.8 million tonnes was heap leach ore and 4.6 million tonnes was dump leach ore, at a strip ratio of 1.1:1 in 2006.

Quebrada Blanca's revenues, generated from the sale of 91.0 million pounds of copper, were \$281.6 million for the six months ended June 30, 2007, compared to \$288.6 million generated from the sale of 87.5 million pounds of copper for the same period in 2006. The \$7.0 million decrease in revenues was due higher sales volumes, and a \$0.21 per pound lower realized copper price. Cash operating costs of \$77.1 million were \$13.0 million higher than in the same period in 2006. Cash operating costs were \$0.85 per pound of copper sold, \$0.12 per pound higher than in 2006 for the same reasons as in the second quarter. Cash flow from operating activities was \$139.5 million for the six months ended June 30, 2007 compared to \$190.1 million in 2006. Expenditures on property, plant and equipment were \$12.2 million, compared to \$1.6 million for the same period in 2006.

## **Duck Pond Mine**

### Second Quarter

The Duck Pond Mine achieved commercial production on April 1, 2007. Duck Pond produced 6.8 million pounds of copper and 12.1 million pounds of zinc in concentrates from 121,290 tonnes of ore milled during the second quarter of 2007. Approximately 110,000 ounces of silver and 800 ounces of gold were also produced.

Duck Pond's revenues were \$20.2 million in the second quarter of 2007. Cash operating costs, net of zinc, silver and gold credits, was \$0.76 per pound. Cash flow from operating activities were negative \$8.3 million, due to a \$17.4 million reduction in non-cash working capital items. Expenditures on property, plant and equipment were \$4.0 million in the second quarter. An additional \$10.9 million of revenues was received in the second quarter from the sale of pre-



commercial production concentrates which were netted against Duck Pond's capitalized development costs resulting in a recovery of \$6.9 million.

### Six Months

The first concentrate was produced on January 11, 2007. The Duck Pond Mine produced 9.3 million pounds of copper and 15.3 million pounds of zinc in concentrates from 182,773 tonnes of ore milled during the six months ended June 30, 2007.

Duck Pond revenues, unit cash operating costs and cash flow from operating activities for the six months ended June 30, 2007 were the same as in the second quarter as commercial production commenced on April 1, 2007. Expenditures on property, plant and equipment, net of the \$10.9 million of pre-commercial production revenues, was \$12.7 million, of which \$6.6 million was on plant and equipment and \$6.2 million pertained to development.

### **Development Projects**

#### *Andacollo Hypogene Copper-Gold Deposit – Chile*

Development of the Andacollo Hypogene Mine continued on schedule in the second quarter of 2007. Basic engineering was completed and detailed engineering was 50% complete at June 30, 2007. Excavation of the primary crusher platform continued and was initiated for the concentrator area. Geological and mine planning studies continued, as well as work on water and power supply, tailings pond engineering and permitting during the second quarter. The EPCM contract for the project was awarded to AMEC International (Chile) S.A. on June 26, 2007. Expenditures were \$1.91 million in the second quarter and have totaled \$26.3 million to date. Capital expenditures in 2007 are expected to be approximately \$81.6. The project remains on schedule for production in late 2009.

#### *Quebrada Blanca Hypogene Copper Deposit – Chile*

The 39 hole, 11,000 metre 2007 drill program to initiate evaluation of the hypogene copper mineralization which underlies the supergene copper deposit currently being mined at Quebrada Blanca continued in the second quarter of 2007. Based upon the results received to date from 9 holes, all of which had mineralization at the bottom of the hole, potential exists for a large copper deposit of possible economic significance to occur beneath the current mining operation. The balance of the drill program is expected to be completed and results to be available before year end. Details of the results to date and previous drilling results are contained in Aur's Directors' Circular recommending acceptance of the offer by Teck Cominco to purchase all of the outstanding common shares of Aur dated July 17, 2007 which is available at [www.sedar.com](http://www.sedar.com) and on Aur's website at [www.aurresources.com](http://www.aurresources.com).

### **Other Financial Information**

#### *Business Development*

Aur's expenditures on its exploration projects and the identification and evaluation of potential acquisitions were \$2.5 million and \$3.7 million in the second quarter and for the six months, respectively, compared to \$2.0 million and \$3.9 million, respectively, in 2006. Exploration work was carried out on projects in Chile, Mexico, Ecuador, Peru and Argentina at a cost of \$2.1 million. In Mexico, drilling on the La Bacoca project continued to evaluate the copper-zinc potential of the property with five holes completed by the end of the quarter all intersecting mineralization with visible chalcopryite and sphalerite. Drilling continues, with assay results expected in the third quarter. Drilling on the El Dorado silver-gold property in Argentina encountered gold and silver mineralization which will be evaluated during the third quarter. In the second quarter, drilling continued on the Macuchi base metal property in Ecuador and the search for new properties for evaluation will



continue. The 2007 acquisition search was active in the second quarter with \$0.4 million being spent on the evaluation of development stage properties in the copper belt of south central Africa and in Peru.

#### *Administration*

Administration expenses were \$2.1 million and \$4.5 million in the second quarter and for the year to date, respectively, compared to \$2.1 million and \$5.0 million, respectively, in 2006.

#### *Depreciation and amortization*

Depreciation and amortization expenses were \$13.5 million and \$25.3 million in the second quarter and the first half of the year, respectively, compared to \$7.2 million and \$14.7 million, respectively, in 2006, the increase being primarily due to the purchase of the additional 27% interest in Andacollo in January and the achievement of commercial production at Duck Pond on April 1, 2007.

#### *Mine closure and site restoration*

Non-cash mine closure and site restoration expenses for the Andacollo, Quebrada Blanca and Duck Pond Mines were \$1.3 million and \$1.7 million in the second quarter and for the year to date, respectively, compared to \$0.5 million and \$nil million, respectively, in 2006.

#### *Interest on long-term debt*

Interest on long-term debt is comprised of the senior notes and revolving credit facility and was \$3.2 million and \$6.3 million in the second quarter and for the year to date, respectively. The interest expense pertaining to Aur's outstanding senior notes debt was \$1.5 million and \$3.6 million in the second quarter and for the year to date, respectively. The interest expense on the \$125 million draw down of Aur's \$150 million revolving credit facility was \$1.7 million and \$2.7 million in the second quarter and for the year to date, respectively. This compares to \$2.1 million and \$4.2 million in the second quarter and for the year to date, respectively, in 2006, relating entirely to the senior notes debt.

#### *Stock-based compensation*

Stock-based compensation expense was \$1.1 million and \$2.1 million in the second quarter and for the year to date, respectively, compared to \$0.4 million and \$0.9 million in 2006 largely due to the appreciation in Aur's share price in 2007, compared to 2006.

#### *ENAMI copper price participation*

A final copper price participation expense related to the Quebrada Blanca Mine, payable to ENAMI, of \$7.6 million and \$12.8 million was accrued in the second quarter and for the year to date, respectively, compared to \$11.5 million and \$15.7 million, respectively, in 2006.

#### *Interest income*

Interest income was \$6.8 million and \$14.0 million in the second quarter and for the year to date, respectively, compared to \$5.4 million and \$9.2 million, respectively, in 2006. The increase in 2007, compared to 2006, was a result of higher cash balances earning interest at a higher average interest rates.



### *Other expenses and revenues*

The net amount of other expenses and revenues was a positive \$0.6 million and a negative \$1.4 million in the second quarter and for the year to date, respectively, compared to negative \$0.2 million and \$0.9 million, respectively, in 2006.

### *Provision for income and resource taxes*

Provision for taxes was \$24.9 million in the second quarter and \$44.8 million for the year to date, respectively, compared to \$30.9 million and \$46.6 million, respectively, in 2006. The lower tax expense in 2007 is a result of lower earnings.

### *Non-controlling interests*

Non-controlling interests expense, related to the interests of Aur's partners in the Andacollo and Quebrada Blanca Mines, was \$22.2 million and \$38.7 million in the second quarter and for the year to date, respectively, compared to \$34.4 million and \$53.0 million, respectively, for the same periods in 2006.

Aur is entitled to receive 76.5% and 90% of Quebrada Blanca's and Andacollo's future cash distributions, respectively. As at June 30, 2007, the entitlement of the non-controlling interests to cash distributions was \$16.2 million. Dividends of \$19.3 million were paid to non-controlling interests in Quebrada Blanca in June 2007, compared to \$32.7 million paid in June 2006. The decrease in expense was principally due to the purchase of the additional 27% interest in Andacollo in January 2007.

### *Working capital*

Working capital increased by \$80.5 million during the second quarter to \$390.6 million at June 30, 2007, primarily due to increased cash balances resulting from operating activities.

### *Restricted cash*

Restricted cash of \$128 million represents the cash pledged as collateral for the \$125 million drawn down from the \$150 million revolving credit facility and, accordingly, is not available for general corporate use. Restricted cash is shown as a separate line item in the non-current assets section of the balance sheet.

### *Property, plant and equipment*

Investments in property, plant and equipment totaled \$10.3 million in the second quarter, compared to \$18.6 million in 2006. These investments included \$2.5 million for the first quarter copper price participation paid to Teck Cominco Limited ("Teck"), \$3.9 million at Duck Pond prior to accounting for \$10.9 million of pre-commercial production revenues, \$7.2 million invested at Andacollo and \$7.9 million invested at Quebrada Blanca. Investments in property, plant and equipment totaled \$49.7 million for the six months ended June 30, 2007 of which \$12.5 million was for the 2006 and first quarter 2007 copper price participations paid to Teck, \$12.7 million was invested at Duck Pond, (net of \$10.9 million of pre-commercial production revenues, \$12.2 million at Andacollo and \$12.2 million at Quebrada Blanca).

### *Disclosure controls and procedures*

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of Aur's disclosure controls and procedures as at the financial quarter ended June 30, 2007. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of Aur concluded that the design



and operation of these disclosure controls and procedures were effective, as at June 30, 2007, in providing reasonable assurance that material information relating to Aur, including its consolidated subsidiaries, would be made known to them by others within those entities.

#### *Internal control over financial reporting*

As at the financial quarter ended June 30, 2007, the Chief Executive Officer and the Chief Financial Officer evaluated the design of Aur's internal control over financial reporting. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer of Aur concluded that the design and operation of the internal control over financial reporting was effective, as at June 30, 2007, in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP.

There have been no changes in Aur's internal controls over financial reporting that occurred during the most recent interim period ended June 30, 2007 that have materially affected, or are reasonably likely to materially affect, Aur's internal control over financial reporting.

#### **Quarterly Earnings and Cash Flow** (\$millions, except per share data)

	2007		2006				2005		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Mining revenues	214.4	156.4	181.4	202.3	219.4	135.1	132.7	108.1	109.6
Operating earnings	111.8	76.1	89.0	109.4	125.9	65.2	64.2	45.2	49.6
Net earnings	84.1	57.8	68.5	84.6	94.0	46.8	41.5	31.0	36.5
Basic earnings per share	\$0.85	\$0.59	\$0.70	\$0.87	\$0.97	\$0.48	\$0.44	\$0.33	\$0.38
Diluted earnings per share	\$0.85	\$0.58	\$0.70	\$0.86	\$0.96	\$0.48	\$0.43	\$0.32	\$0.38
Cash flow from operating activities	85.6	79.0	134.0	142.9	151.7	76.0	89.3	64.3	52.3

#### **2007 Outlook**

**Aur has used a copper price of \$3.29 per pound and a zinc price of \$1.55 per pound in developing this 2007.**

Copper production from the Andacollo, Quebrada Blanca and Duck Pond Mines is expected to total 254 million pounds in 2007, of which Aur's share will be 206 million pounds. The Duck Pond Mine is also scheduled to produce 47 million pounds of zinc plus by-product silver and gold.

Revenue from the sale of 251 million pounds of copper and 43 million pounds of zinc, together with silver and gold, is forecast to be approximately \$912 million. Zinc forward sales commitments will reduce revenues by \$19 million at the forecast zinc price. Mine operating costs are expected to be \$272 million

Operating earnings, after depreciation and amortization, mine closure and site restoration costs, copper price participation amounts due to ENAMI and non-controlling interests expenses are expected to be \$453 million. Net earnings are forecast to be \$344 million, equal to \$3.50 or CDN\$3.82 per share.

Cash flow from operating activities is projected to be approximately \$423 million. Cash expenditures associated with financing activities are expected to total \$81 million and are comprised of \$150 million of inflows from the drawdown of Aur's loan facility and outflows of \$231 million including \$93 million for dividends to Aur shareholders, \$31 million for senior notes principal repayments, \$32 million for 2006 copper price participations to ENAMI, \$9 million for capital leases and \$67 million for dividends to minority shareholders of Quebrada Blanca. Cash expenditures on investing activities



are expected to total \$268 million in 2007, comprised of \$103 million for the purchase of CMP's 27% interest in the Andacollo Mine completed on January 18, 2007, \$82 million on the development of the Hypogene Deposit, \$25 million at Duck Pond, \$42 million at the Quebrada Blanca and Andacollo Mines and \$18 million to Teck Cominco for copper price participations, being \$10 million for 2006 and \$7.5 million for 2007.

Aur intends to draw down an additional \$25 million from its revolving credit facility in the third quarter of 2007. Aur's cash balance at December 31, 2007 is forecast to be \$704 million, of which \$153 million will be classified as restricted cash on the balance sheet.

Aur's net earnings and operating cash flow are materially impacted by changes in the price of copper. A \$0.50 per pound change in the copper price will change the forecast net earnings and operating cash flow by approximately \$80 million and \$122 million, respectively.

This news release contains forward-looking statements that are based on current expectations and which involve risks and uncertainties, including those referred to in Aur's 2006 Annual Report and/or in Aur's Annual Information Form dated March 15, 2007 ("AIF") and filed with Canadian securities regulatory authorities, that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward-looking statements. Such forward-looking statements include statements regarding financial results and expectations and include, among other things, statements regarding targets, estimates and/or assumptions in respect of copper production and/or copper prices, timing and costs of the development of new deposits, operating costs, ongoing expenditures on property, plant and equipment, levels of and increases and decreases in production, reserves and/or resources and anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other conditions and include parameters, assumptions and conclusions in any feasibility studies. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to elsewhere herein and/or in the AIF and include unanticipated and/or unusual events. Many of such factors are beyond Aur's ability to control or predict. Actual results may differ materially from those anticipated. Readers are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. Aur disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Additional information, including the quarterly and annual consolidated financial statements, the AIF, Management Information Circular and other disclosure documents, may also be examined and/or obtained through the Internet by accessing Aur's website at [www.aurreources.com](http://www.aurreources.com) or by accessing the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

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**For further information please contact Dr. James W. Gill, President and Chief Executive Officer or Mr. Ed Guimaraes, Executive Vice-President, Finance and Chief Financial Officer at 416-362-2614 or visit our website at [www.aurreources.com](http://www.aurreources.com).**



**PRODUCTION STATISTICS**  
Three months ended June 30

<b>2007</b>	<b>Andacollo</b>	<b>Quebrada Blanca</b>	<b>Duck Pond</b>	<b>Total</b>
Ore (tonnes)				
Heap leach	968,214	1,958,639	-	2,926,853
Dump leach	291,358	1,844,039	-	2,135,397
Milled	-	-	121,290	121,290
Grade				
Copper (%TCu)	0.66	1.18	2.96	n/a
Zinc (%)	-	-	5.57	5.57
Gold (oz/t)	-	-	0.03	0.03
Silver (oz/t)	-	-	2.22	2.22
Copper (000 pounds)				
Produced	10,008	45,618	6,842	62,468
Sold	9,755	44,574	3,308	57,637
Less: non-controlling interests	(976)	(10,474)	-	(11,450)
Net to Aur	8,779	34,100	3,308	46,187
Inventory	866	2,452	3,534	6,852
Other metals produced				
Zinc (000 pounds)	-	-	12,082	12,082
Gold (ounces)	-	-	797	797
Silver (ounces)	-	-	109,664	109,664
Cost per pound of copper sold	0.79	0.88	0.76	0.86
<b>2006</b>	<b>Andacollo</b>	<b>Quebrada Blanca</b>	<b>Duck Pond</b>	<b>Total</b>
Ore (tonnes)				
Heap leach	894,321	1,841,023	-	2,735,344
Dump leach	734,415	2,673,006	-	3,407,421
Copper Grade (%TCu)				
Heap leach	0.74	1.32	-	n/a
Dump leach	0.36	0.55	-	n/a
Copper (000 pounds)				
Produced	8,666	45,281	-	53,947
Sold	8,647	45,355	-	54,002
Less: non controlling interests	(3,199)	(10,657)	-	(13,856)
Net to Aur	5,448	34,698	-	40,146
Inventory	666	4,308	-	4,974
Cost per pound of copper sold	0.73	0.74	-	0.74

Notes: 1. Tonnes of ore milled at Duck Pond and stacked at Andacollo and Quebrada Blanca and all metal production figures are shown on a 100% basis. Net copper to Aur represents Aur's 90%, 76.5% and 100% beneficial interests in Andacollo, Quebrada Blanca and Duck Pond, respectively, in 2007.

2. Cash operating cost per pound of copper sold includes transportation and marketing costs, settlement adjustments, and provisional pricing, and for Duck Pond is also net of zinc, silver and gold credits.

**PRODUCTION STATISTICS**  
**Six months ended June 30**

<b>2007</b>	<b>Andacollo</b>	<b>Quebrada Blanca</b>	<b>Duck Pond</b>	<b>Total</b>
Ore (tonnes)				
Heap leach	1,952,457	3,743,357	-	5,695,814
Dump leach	552,426	3,416,519	-	3,968,945
Milled	-	-	182,773	182,773
Grade				
Copper (%TCu)	0.66	1.18	2.70	n/a
Zinc (%)	-	-	4.92	4.92
Gold (oz/t)	-	-	0.03	0.03
Silver (oz/t)	-	-	2.06	2.06
Copper (000 pounds)				
Produced	21,605	91,388	9,297	122,290
Sold	21,405	91,034	3,308	115,747
Less: non-controlling interests	(2,140)	(21,391)	-	(23,531)
Net to Aur	19,265	69,643	3,308	92,216
Inventory	866	2,542	3,534	6,942
Other metals produced				
Zinc (000 pounds)	-	-	15,300	15,300
Gold (ounces)	-	-	1,109	1,109
Silver (ounces)	-	-	144,685	144,685
Cost per pound of copper sold	0.76	0.85	0.76	0.83
<b>2006</b>	<b>Andacollo</b>	<b>Quebrada Blanca</b>	<b>Duck Pond</b>	<b>Total</b>
Ore (tonnes)				
Heap leach	1,808,448	3,792,319	-	5,600,767
Dump leach	1,067,531	4,596,896	-	5,664,427
Copper Grade (%TCu)				
Heap leach	0.74	1.31	-	n/a
Dump leach	0.39	0.55	-	n/a
Copper (000 pounds)				
Produced	20,353	88,714	-	109,067
Sold	20,315	87,465	-	107,780
Less: non controlling interests	(12,403)	(20,552)	-	(32,955)
Net to Aur	7,912	66,913	-	74,825
Inventory	666	4,308	-	4,974
Cost per pound of copper sold	0.74	0.73	-	0.74

Notes: 1. Tonnes of ore milled at Duck Pond, stacked at Andacollo and Quebrada Blanca and all metal production figures are shown on a 100% basis. Net copper to Aur represents Aur's 90%, 76.5% and 100% beneficial interests in Andacollo, Quebrada Blanca and Duck Pond, respectively, in 2007.

2. Cash operating cost per pound of copper sold includes transportation and marketing costs, settlement adjustments, and provisional pricing, and for Duck Pond is also net of zinc, silver and gold credits.



**AUR RESOURCES INC.  
UNAUDITED INTERIM CONSOLIDATED STATEMENTS**

**June 30, 2007  
(Expressed in thousands of United States dollars)**

**These interim financial statements have not been audited or reviewed  
by the Corporation's external auditors.**



**Consolidated Statements of Operations**

(in thousands of United States dollars except earnings per share)

(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Mining revenues</b>	<b>214,366</b>	<b>219,442</b>	<b>370,778</b>	<b>354,546</b>
<b>Expenses</b>				
Mining	58,070	40,017	104,414	79,220
Business Development	2,518	2,041	3,678	3,886
Administration	2,149	2,123	4,474	4,959
Depreciation and amortization	13,528	7,225	25,289	14,715
Mine closure and site restoration	1,255	369	1,714	699
Interest on long-term debt	3,155	2,110	6,335	4,219
Stock-based compensation	1,086	372	2,087	931
ENAMI copper price participation	7,563	11,453	12,846	15,733
Interest income	(6,784)	(5,351)	(14,046)	(9,229)
Other (note 11)	585	(201)	(1,409)	(922)
	<b>83,125</b>	<b>60,158</b>	<b>145,382</b>	<b>114,211</b>
<b>Earnings before taxes and non-controlling interests</b>	<b>131,241</b>	<b>159,284</b>	<b>225,396</b>	<b>240,335</b>
<b>Income and resource taxes</b>	<b>(24,927)</b>	<b>(30,870)</b>	<b>(44,755)</b>	<b>(46,598)</b>
<b>Earnings before non-controlling interests</b>	<b>106,314</b>	<b>128,414</b>	<b>180,641</b>	<b>193,737</b>
<b>Non-controlling interests</b>	<b>(22,189)</b>	<b>(34,447)</b>	<b>(38,696)</b>	<b>(52,952)</b>
<b>Net earnings for the period</b>	<b>84,125</b>	<b>93,967</b>	<b>141,945</b>	<b>140,785</b>
<b>Basic earnings per share (note 9(b))</b>	<b>0.85</b>	<b>0.97</b>	<b>1.44</b>	<b>1.45</b>
<b>Diluted earnings per share (note 9(b))</b>	<b>0.85</b>	<b>0.96</b>	<b>1.43</b>	<b>1.44</b>

See accompanying notes to interim consolidated financial statements.



**Consolidated Statements of Retained Earnings**  
(in thousands of United States dollars)  
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Retained earnings as originally stated – beginning of period	504,673	300,530	446,853	254,782
Adjustment to reflect change in accounting policy for deferred financing costs (note 2)	-	-	-	(1,070)
Net earnings for the period	84,125	93,967	141,945	140,785
Dividends on common shares	(4,649)	(13,145)	(4,649)	(13,145)
Retained earnings – end of period	584,149	381,352	584,149	381,352

**Consolidated Statements of Comprehensive Income**  
(in thousands of United States dollars)  
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Net earnings for the period	84,125	93,967	141,945	140,785
Other comprehensive income (note 2)				
Unrealized (losses) gains on zinc forward sales agreement (note 10)	(13,087)	-	39,690	-
Comprehensive income	71,038	93,967	181,635	140,785

See accompanying notes to interim consolidated financial statements.



**Consolidated Segmented Information on Operations for the three months ended June 30**  
(in thousands of United States dollars)  
(Unaudited)

2007	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
Mining revenues	36,794	157,340	20,232	-	214,366
Expenses					
Mining	7,745	39,184	11,141	-	58,070
Business development	-	-	-	2,518	2,518
Administration	-	-	-	2,149	2,149
Depreciation and amortization	4,116	7,221	2,145	46	13,528
Mine closure and site restoration	246	988	21	-	1,255
Interest on long-term debt	-	-	-	3,155	3,155
Stock-based compensation	-	-	-	1,086	1,086
ENAMI copper price participation	-	7,563	-	-	7,563
Interest income	(1,756)	(1,061)	(19)	(3,948)	(6,784)
Other	48	968	1	(432)	585
	10,399	54,863	13,289	4,574	83,125
Earnings (loss) before taxes	26,395	102,477	6,943	(4,574)	131,241
Income and resource taxes	(4,970)	(19,742)	-	(215)	(24,927)
Earnings (loss) before non-controlling interests	21,425	82,735	6,943	(4,789)	106,314
Non-controlling interests	(2,313)	(19,876)	-	-	(22,189)
Net earnings (loss)	19,112	62,859	6,943	(4,789)	84,125
2006	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
Mining revenues	36,758	182,684	-	-	219,442
Expenses					
Mining	6,332	33,685	-	-	40,017
Business development	-	-	-	2,041	2,041
Administration	-	-	-	2,123	2,123
Depreciation and amortization	878	6,309	-	38	7,225
Mine closure and site restoration	204	165	-	-	369
Interest on long-term debt	-	-	-	2,110	2,110
Stock-based compensation	-	-	-	372	372
ENAMI copper price participation	-	11,453	-	-	11,453
Interest income	(868)	(1,671)	-	(2,812)	(5,351)
Other	(77)	(126)	-	2	(201)
	6,469	49,815	-	3,874	60,158
Earnings (loss) before taxes	30,289	132,869	-	(3,874)	159,284
Income and resource taxes	(5,501)	(25,308)	-	(61)	(30,870)
Earnings (loss) before non-controlling interests	24,788	107,561	-	(3,935)	128,414
Non-controlling interests	(9,172)	(25,275)	-	-	(34,447)
Net earnings (loss)	15,616	82,286	-	(3,935)	93,967

See accompanying notes to interim consolidated financial statements.



**Consolidated Segmented Information on Operations for the six months ended June 30**  
(in thousands of United States dollars)  
(Unaudited)

2007	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
Mining revenues	68,927	281,619	20,232	-	370,778
Expenses					
Mining	16,198	77,075	11,141	-	104,414
Business development	-	-	-	3,678	3,678
Administration	-	-	-	4,474	4,474
Depreciation and amortization	8,678	14,374	2,145	92	25,289
Mine closure and site restoration	199	1,494	21	-	1,714
Interest on long-term debt	-	-	-	6,335	6,335
Stock-based compensation	-	-	-	2,087	2,087
ENAMI copper price participation	-	12,846	-	-	12,846
Interest income	(3,507)	(2,276)	(19)	(8,244)	(14,046)
Other	(39)	1,086	1	(2,457)	(1,409)
	21,529	104,599	13,289	5,965	145,382
Earnings (loss) before taxes	47,398	177,020	6,943	(5,965)	225,396
Income and resource taxes	(8,858)	(33,643)	-	(2,254)	(44,755)
Earnings (loss) before non-controlling interests	38,540	143,377	6,943	(8,219)	180,641
Non-controlling interests	(4,241)	(34,455)	-	-	(38,696)
Net earnings (loss)	34,299	108,922	6,943	(8,219)	141,945
2006	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
Mining revenues	65,965	288,581	-	-	354,546
Expenses					
Mining	15,114	64,106	-	-	79,220
Business development	-	-	-	3,886	3,886
Administration	-	-	-	4,959	4,959
Depreciation and amortization	2,460	12,186	-	69	14,715
Mine closure and site restoration	411	288	-	-	699
Interest on long-term debt	-	-	-	4,219	4,219
Stock-based compensation	-	-	-	931	931
ENAMI copper price participation	-	15,733	-	-	15,733
Interest income	(1,425)	(2,320)	-	(5,484)	(9,229)
Other	(158)	(257)	-	(507)	(922)
	16,402	89,736	-	8,073	114,211
Earnings (loss) before taxes	49,563	198,845	-	(8,073)	240,335
Income and resource taxes	(8,606)	(37,989)	-	(3)	(46,598)
Earnings (loss) before non-controlling interests	40,957	160,856	-	(8,076)	193,737
Non-controlling interests	(15,154)	(37,798)	-	-	(52,952)
Net earnings (loss)	25,803	123,058	-	(8,076)	140,785

See accompanying notes to interim consolidated financial statements.



**Consolidated Balance Sheets**  
(in thousands of United States dollars)

	As at	
	June 30 2007	December 31 2006
	(Unaudited)	
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	466,263	630,297
Receivables	21,406	21,681
Inventories and prepaid expenses (note 4)	82,901	72,861
	<b>570,570</b>	<b>724,839</b>
Restricted cash	128,000	-
Property, plant and equipment	494,931	394,582
Future income and resource taxes	3,387	3,387
Long-term copper inventory and other (note 5)	24,709	24,588
	<b>1,221,597</b>	<b>1,147,396</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	55,307	63,967
Taxes payable	7,707	54,008
Dividends payable	4,628	88,660
Copper price participations (note 6)	15,335	42,112
Payable to non-controlling interests	16,157	7,497
Current portion of obligation under capital lease	10,121	4,127
Current portion of mine closure and site restoration	819	931
Current portion of senior notes	31,250	31,250
Unrealized loss on zinc forward agreement	38,679	-
	<b>180,003</b>	<b>292,552</b>
Senior notes (note 7)	62,500	93,750
Revolving credit facility (note 8)	125,000	-
Obligation under capital leases	30,050	9,313
Future income and resource taxes	20,481	20,856
Mine closure and site restoration	28,346	27,797
Non-controlling interests	24,506	57,059
Unrealized loss on zinc forward agreement	101,491	-
	<b>392,374</b>	<b>208,775</b>
	<b>572,377</b>	<b>501,327</b>
Contingency (note 14)		
<b>Shareholders' equity</b>		
Share capital (note 9)	198,567	194,629
Contributed surplus – stock-based compensation	6,674	4,587
Retained earnings	584,149	446,853
Accumulated other comprehensive income (loss) (note 10)	(140,170)	-
	<b>649,220</b>	<b>646,069</b>
	<b>1,221,597</b>	<b>1,147,396</b>

See accompanying notes to interim consolidated financial statements.



Consolidated Segmented Balance Sheet Information as at  
(in thousands of United States dollars)

June 30, 2007  
(Unaudited)

	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current</b>					
Cash	145,192	78,760	920	241,391	466,263
Receivables	1,830	10,786	4,933	3,857	21,406
Inventories and prepaid expenses	16,748	55,732	10,008	413	82,901
	163,770	145,278	15,861	245,661	570,570
Restricted cash	-	-	-	128,000	128,000
Property, plant and equipment	139,579	222,372	132,270	710	494,931
Future income and resource taxes	-	-	-	3,387	3,387
Long-term copper inventory and other	-	20,181	658	3,870	24,709
	303,349	387,831	148,789	381,628	1,221,597
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	9,066	34,023	7,589	4,629	55,307
Taxes payable	5,257	1,520	-	930	7,707
Dividends Payable	-	-	-	4,628	4,628
Copper price participations	-	12,835	-	2,500	15,335
Payable to non-controlling interests	-	16,157	-	-	16,157
Current portion of obligation under capital leases	5,815	4,201	105	-	10,121
Current portion of mine closure and site restoration	-	-	-	819	819
Current portion of senior notes	-	-	-	31,250	31,250
Unrealized loss on zinc forward agreement	-	-	38,679	-	38,679
	20,138	68,736	46,373	44,756	180,003
Senior notes	-	-	-	62,500	62,500
Revolving credit facility	-	-	-	125,000	125,000
Obligation under capital leases	21,215	8,709	126	-	30,050
Future income and resource taxes	2,154	18,327	-	-	20,481
Mine closure and site restoration	5,488	20,290	2,537	31	28,346
Non-controlling interests	18,044	6,462	-	-	24,506
Unrealized loss on zinc forward agreement	-	-	101,491	-	101,491
	67,039	122,524	150,527	232,287	572,377
<b>December 31, 2006</b>					
	\$	\$	\$	\$	\$
<b>Assets</b>					
<b>Current</b>					
Cash	130,621	67,683	-	431,993	630,297
Receivables	1,609	12,240	-	7,832	21,681
Inventories and prepaid expenses	13,552	58,056	-	1,253	72,861
	145,782	137,979	-	441,078	724,839
Property, plant and equipment	50,543	217,486	-	126,553	394,582
Future income and resource taxes	-	-	-	3,387	3,387
Long-term copper inventory and other	-	21,018	-	3,570	24,588
	196,325	376,483	-	574,588	1,147,396
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accrued liabilities	15,924	34,888	-	13,155	63,967
Taxes payable	15,963	38,045	-	-	54,008
Dividends payable	-	-	-	88,660	88,660
Copper price participations	-	32,112	-	10,000	42,112
Payable to non-controlling interests	-	7,497	-	-	7,497
Current portion of obligation under capital leases	-	4,032	-	95	4,127
Current portion of mine closure and site restoration	-	-	-	931	931
Current portion of senior notes	-	-	-	31,250	31,250
	31,887	116,574	-	144,091	292,552
Senior notes	-	-	-	93,750	93,750
Obligation under capital leases	-	9,150	-	163	9,313
Future income and resource taxes	2,771	18,085	-	-	20,856
Mine closure and site restoration	5,310	19,602	-	2,885	27,797
Non-controlling interests	57,059	-	-	-	57,059
	97,027	163,411	-	240,889	501,327

See accompanying notes to interim consolidated financial statements.



**Consolidated Statements of Cash Flow**  
(in thousands of United States dollars)  
(Unaudited)

	Three months ended		Six months ended	
	June 30		June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings for the period	84,125	93,967	141,945	140,785
Non-cash items -				
Depreciation and amortization	13,528	7,225	25,289	14,715
Future income and resource taxes	(3,525)	(311)	(374)	(690)
Mine closure and site restoration	1,255	499	1,714	44
Loss (gain) on disposal of property, plant and equipment	-	8	(56)	(140)
Interest on obligation on property purchased	-	4	-	9
Stock-based compensation	1,086	372	2,087	931
Copper price participation	7,563	11,453	12,846	15,733
Non-controlling interests	22,189	34,447	38,696	52,952
	126,221	147,664	222,147	224,339
Net change in non-cash working capital items (note 12)	(40,671)	4,023	(57,586)	3,353
	85,550	151,687	164,561	227,692
<b>Financing activities</b>				
Proceeds on drawdown of revolving credit facility	-	-	125,000	-
Dividends on common shares	-	-	(88,660)	(12,384)
Repayments of senior notes	-	-	(31,250)	-
Repayments of capital leases	(3,345)	(740)	(4,515)	(1,626)
Payments to non-controlling interests	(19,333)	(32,687)	(19,333)	(32,687)
Payment of copper price participation to ENAMI	(32,123)	(5,916)	(32,123)	(5,916)
Common shares issued	1,611	3,598	3,938	5,800
Foreign exchange and other	(1,504)	(1,068)	(1,921)	(1,283)
	(54,694)	(36,813)	(48,864)	(48,096)
<b>Investing activities</b>				
Restricted cash	-	-	(128,000)	-
Payment of copper price participation	(2,500)	-	(12,500)	(10,000)
Property, plant and equipment	(1,516)	(10,953)	(26,009)	(16,383)
Mineral property development	(6,637)	(7,646)	(11,156)	(16,081)
Purchase of additional interest in Andacollo (note 3)	-	-	(103,000)	-
Proceeds on disposal of property, plant and equipment	-	12	56	226
Repayments of advances by Quebrada Blanca minesite employees	338	-	878	-
	(10,315)	(18,587)	(279,731)	(42,238)
<b>Increase (decrease) in cash for the period</b>	<b>20,541</b>	<b>96,287</b>	<b>(164,034)</b>	<b>137,358</b>
<b>Cash – beginning of period</b>	<b>445,722</b>	<b>402,334</b>	<b>630,297</b>	<b>361,263</b>
<b>Cash – end of period</b>	<b>466,263</b>	<b>498,621</b>	<b>466,263</b>	<b>498,621</b>

See accompanying notes to interim consolidated financial statements.



**Consolidated Segmented Information on Cash Flow for the three months ended June 30**  
(in thousands of United States dollars)  
(Unaudited)

2007	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
<b>Operating activities</b>					
Net earnings (loss)	19,112	62,859	6,943	(4,789)	84,125
Non-cash items	6,166	32,630	2,166	1,134	42,096
	25,278	95,489	9,109	(3,655)	126,221
<b>Net change in non-cash working capital items</b>	<b>(8,568)</b>	<b>(22,125)</b>	<b>(17,429)</b>	<b>7,451</b>	<b>(40,671)</b>
	16,710	73,364	(8,320)	3,796	85,550
<b>Financing activities</b>					
Repayments of capital leases	(2,551)	(779)	(15)	-	(3,345)
Payments to non-controlling interests	-	(19,333)	-	-	(19,333)
Payment of copper participation to ENAMI	-	(32,123)	-	-	(32,123)
Common shares issued	-	-	-	1,611	1,611
Foreign exchange and other	(149)	745	-	(2,100)	(1,504)
	(2,700)	(51,490)	(15)	(489)	(54,694)
<b>Investing activities</b>					
Property, plant and equipment	(558)	(7,918)	6,960	-	(1,156)
Mineral property development	(6,637)	-	-	-	(6,637)
Payment of copper price participation to Teck	-	-	-	(2,500)	(2,500)
Repayments of advances by Quebrada Blanca minesite employees	-	338	-	-	338
	(7,195)	(7,580)	6,960	(2,500)	(10,315)
<b>Inter-segment distributions to corporate</b>	<b>(474)</b>	<b>(65,097)</b>	<b>2,295</b>	<b>63,276</b>	<b>-</b>
<b>Increase (decrease) in cash for the period</b>	<b>6,341</b>	<b>(50,803)</b>	<b>920</b>	<b>64,083</b>	<b>20,541</b>
<b>Cash – beginning of period</b>	<b>138,851</b>	<b>129,562</b>	<b>-</b>	<b>177,309</b>	<b>445,722</b>
<b>Cash – end of period</b>	<b>145,192</b>	<b>78,759</b>	<b>920</b>	<b>241,392</b>	<b>466,263</b>
2006	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
<b>Operating activities</b>					
Net earnings (loss)	15,616	82,286	-	(3,935)	93,967
Non-cash items	10,468	43,070	-	159	53,697
	26,084	125,356	-	(3,776)	147,664
<b>Net change in non-cash working capital items</b>	<b>1,923</b>	<b>814</b>	<b>-</b>	<b>1,286</b>	<b>4,023</b>
	28,007	126,170	-	(2,490)	151,687
<b>Financing activities</b>					
Repayments of capital leases	-	(740)	-	-	(740)
Payments to non-controlling interests	-	(32,687)	-	-	(32,687)
Payment of copper price participation to ENAMI	-	(5,916)	-	-	(5,916)
Common shares issued	-	-	-	3,598	3,598
Foreign exchange and other	63	(1,313)	-	182	(1,068)
	63	(40,656)	-	3,780	(36,813)
<b>Investing activities</b>					
Property, plant and equipment	(3,046)	(1,570)	-	(6,337)	(10,953)
Mineral property development	-	-	-	(7,646)	(7,646)
Proceeds on disposal of property, plant and equipment	-	-	-	12	12
	(3,046)	(1,570)	-	(13,971)	(18,587)
<b>Inter-segment distributions to corporate</b>	<b>(338)</b>	<b>(106,937)</b>	<b>-</b>	<b>107,275</b>	<b>-</b>
<b>Increase (decrease) in cash for the period</b>	<b>24,686</b>	<b>(22,937)</b>	<b>-</b>	<b>94,594</b>	<b>96,287</b>
<b>Cash – beginning of period</b>	<b>63,708</b>	<b>101,518</b>	<b>-</b>	<b>237,108</b>	<b>402,334</b>
<b>Cash – end of period</b>	<b>88,394</b>	<b>78,525</b>	<b>-</b>	<b>331,702</b>	<b>498,621</b>

See accompanying notes to interim consolidated financial statements.



**Consolidated Segmented Information on Cash Flow for the six months ended June 30**  
(in thousands of United States dollars)  
(Unaudited)

2007	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
<b>Operating activities</b>					
Net earnings (loss)	34,299	108,922	6,943	(8,219)	141,945
Non-cash items	12,501	63,410	2,166	2,125	80,202
	46,800	172,332	9,109	(6,094)	222,147
Net change in non-cash working capital items	(16,503)	(32,803)	(17,429)	9,149	(57,586)
	30,297	139,529	(8,320)	(3,055)	164,561
<b>Financing activities</b>					
Proceeds on drawdown of revolving credit facility	-	-	-	125,000	125,000
Dividends on common shares	-	-	-	(88,660)	(88,660)
Repayments of senior notes	-	-	-	(31,250)	(31,250)
Repayments of capital leases	(2,551)	(1,924)	(40)	-	(4,515)
Payments to non-controlling interests	-	(19,333)	-	-	(19,333)
Payment of copper price participation to ENAMI	-	(32,123)	-	-	(32,123)
Common shares issued	-	-	-	3,938	3,938
Foreign exchange and other	13	125	-	(2,059)	(1,921)
	(2,538)	(53,255)	(40)	6,969	(48,864)
<b>Investing activities</b>					
Restricted cash	-	-	-	(128,000)	(128,000)
Payment of copper price participation to Teck Cominco	-	-	-	(12,500)	(12,500)
Property, plant and equipment	(1,060)	(12,203)	(12,746)	-	(26,009)
Mineral property development	(11,156)	-	-	-	(11,156)
Purchase of additional interest in Andacollo	-	-	-	(103,000)	(103,000)
Proceeds on disposal of property, plant and equipment	-	-	-	56	56
Repayments of advances by Quebrada Blanca minesite employees	-	878	-	-	878
	(12,216)	(11,325)	(12,746)	(243,444)	(279,731)
Intersegment distributions to corporate	(972)	(63,873)	22,026	42,819	-
Increase (decrease) in cash for the period	14,571	11,076	920	(190,601)	(164,034)
Cash – beginning of period	130,621	67,683	-	431,993	630,297
<b>Cash – end of period</b>	<b>145,192</b>	<b>78,759</b>	<b>920</b>	<b>241,392</b>	<b>466,263</b>
2006	Andacollo	Quebrada Blanca	Duck Pond	Corporate	Total
	\$	\$	\$	\$	\$
<b>Operating activities</b>					
Net earnings (loss)	25,803	123,058	-	(8,076)	140,785
Non-cash items	18,101	65,303	-	150	83,554
	43,904	188,361	-	(7,926)	224,339
Net change in non-cash working capital items	5,191	1,780	-	(3,618)	3,353
	49,095	190,141	-	(11,544)	227,692
<b>Financing activities</b>					
Dividends on common shares	-	-	-	(12,384)	(12,384)
Repayments of capital leases	-	(1,626)	-	-	(1,626)
Payments of non-controlling interests	-	(32,687)	-	-	(32,687)
Payment of copper price participation to ENAMI	-	(5,916)	-	-	(5,916)
Common shares issued	-	-	-	5,800	5,800
Foreign exchange and other	(155)	(443)	-	(685)	(1,283)
	(155)	(40,672)	-	(7,269)	(48,096)
<b>Investing activities</b>					
Payment of copper price participation	-	-	-	(10,000)	(10,000)
Property, plant and equipment	(5,403)	(1,603)	-	(9,377)	(17,026)
Mineral property development	-	-	-	(16,081)	(16,383)
Proceeds on disposal of property, plant and equipment	3	-	-	223	226
	(5,400)	(1,603)	-	(35,235)	(42,238)
Inter-segment distributions to corporate	(370)	(107,146)	-	107,516	-
Increase in cash for the period	43,170	40,720	-	53,468	137,358
Cash – beginning of period	45,224	37,805	-	278,234	361,263
<b>Cash – end of period</b>	<b>88,394</b>	<b>78,525</b>	<b>-</b>	<b>331,702</b>	<b>498,621</b>

See accompanying notes to interim consolidated financial statements.



**AUR RESOURCES INC.**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the three and six month periods ended June 30, 2007 and 2006**  
**(In thousands of United States dollars except where otherwise noted)**  
**(Unaudited)**

**1. Accounting policies**

The interim unaudited consolidated financial statements of Aur Resources Inc. ("Aur") have been prepared in accordance with accounting principles generally accepted in Canada using the same accounting policies as those disclosed in note 1 to Aur's audited consolidated financial statements for the year ended December 31, 2006. These interim unaudited consolidated financial statements should be read in conjunction with Aur's audited annual consolidated financial statements included in Aur's Annual Report for the year 2006.

**2. Changes in Accounting Policies**

**Financial Instruments and Comprehensive Income**

Effective January 1, 2007, Aur adopted CICA Handbook Section 1530, Comprehensive Income, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, and CICA Handbook Section 3865, Hedges. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments, as well as standards on when and how hedge accounting may be applied. Handbook Section 1530 also introduces a new component of equity referred to as comprehensive income.

Under these new standards, all financial instruments, including derivatives are included on the consolidated balance sheet and are measured either at fair market value or, in limited circumstances, at cost or amortized cost. Derivatives that qualify as hedging instruments must be designated as either a "cash flow hedge," when the hedged item is a future cash flow, or a "fair value hedge," when the hedged item is a recognized asset or liability. The unrealized gains and losses related to a cash flow hedge are included in other comprehensive income. For a fair value hedge, both the derivative and the hedged item are recorded at fair value in the consolidated balance sheet and the unrealized gains and losses from both items are included in earnings. For derivatives that do not qualify as hedging instruments, unrealized gains and losses from both items are included in earnings.

In accordance with the provisions of these new standards, Aur reflected the following adjustments as of January 1, 2007:

- An increase of \$179.9 million to "Unrealized losses on zinc forward sales agreement" in the liabilities section, and an opening adjustment of \$179.9 million to "Accumulated other comprehensive income" in the shareholders' equity section of the consolidated balance sheet. These adjustments consisted entirely of forward sales contracts to hedge a portion of the scheduled zinc production from its wholly owned Duck Pond Mine. (See Note 10)

The adoption of these new standards had no impact on the Company's consolidated statement of earnings. The unrealized gains and losses included in "Accumulated other comprehensive income" were recorded net of taxes, which were nil.



Additionally, deferred financing costs which had been previously capitalized and amortized over the term of the related debt facility are now expensed as incurred. The retrospective application of this policy to January 1, 2006 resulted in a decrease in other assets and opening retained earnings of \$1,070.

**3. Purchase of additional interest in Andacollo**

On January 18, 2007, Aur purchased CMP's 30% interest in the Series A shares of Compañía Minera Carmen de Andacollo ("CDA") for \$103.0 million in cash. This increased Aur's economic interest in CDA from 63% to 90% effective January 1, 2007 with ENAMI holding the remaining 10%. This transaction was accounted for as a step purchase with the excess of the consideration paid over the fair value of the net assets acquired being allocated to property, plant and equipment.

**4. Inventories and prepaid expenses**

	June 30 2007	December 31 2006
	\$	\$
Cathode copper	3,054	2,347
In-process inventories	60,319	52,090
Mine supplies	17,913	14,338
Prepaid expenses and deposits	1,615	4,086
	<u>82,901</u>	<u>72,861</u>

The amount of depreciation and amortization capitalized to cathode copper and in-process inventories was \$313 (2006 - \$401) and \$6,353 (2006 - \$5,594), respectively.

**5. Long-term copper inventory and other**

	June 30 2007	December 31 2006
	\$	\$
Long-term in-process copper inventory	18,747	18,747
Deferred charges	659	-
Advances to Quebrada Blanca minesite employees	1,433	2,271
Letters of credit	3,870	3,570
	<u>24,709</u>	<u>24,588</u>

**6. Copper price participations**

(i) **Andacollo**

ENAMI is entitled to receive from dividends declared by CDA, in the event the average sales price per pound of copper sold by CDA in any calendar year exceeds certain United States inflation-adjusted threshold prices for such year, a payment based on a sliding scale percentage of the total dividends paid by CDA in respect of such year. CDA has determined that no dividends will be declared in 2007, 2008 and 2009 as cash balances will be retained for the purposes of funding a portion of the capital expenditures to develop the Andacollo Hypogene Deposit which is scheduled to begin production by late 2009. As at December 31, 2006, the inflation adjusted copper prices to be utilized for purposes of the foregoing and the percentage of dividends paid that ENAMI is entitled to receive as an additional



payment were, respectively, as follows: \$1.47 to \$1.58 per pound, 1%; \$1.59 to \$1.72 per pound, 2%; \$1.73 to \$1.85 per pound, 3%; \$1.86 to \$1.99 per pound, 4%; \$2.00 or greater per pound, 5%.

(ii) **Quebrada Blanca**

Teck Cominco Limited ("Teck") is entitled to a copper price participation of \$2.5 million quarterly beginning in 2007 to a maximum of \$10 million on or before December 31, 2012 if the United States inflation adjusted copper prices exceeds a threshold amount, which was \$1.30 per pound at December 31, 2006. Aur paid Teck Cominco \$10 million on January 7, 2005 for 2004, \$10 million on January 6, 2006 for 2005 and \$10 million on January 10, 2007 for 2006 as the copper price exceeded the threshold amount in those years. Aur's property, plant and equipment assets at Quebrada Blanca are increased by these accruals with amortization commencing once payment to Teck Cominco is made. On April 19, 2007, the \$2.5 million quarterly payment for 2007 was made. During the second quarter of 2007, an additional \$2.5 million was accrued and was paid on July 9, 2007.

ENAMI is entitled to receive a per pound price participation in copper sales from the Quebrada Blanca Mine equal to 10% of the amount by which the average realized sales price per pound of copper, less transportation and certain related costs, sold by the Mine in any calendar year exceeds a specified inflation adjusted indexed price for such year up to a cumulative total of \$50.8 million. The average realized copper price for 2006 exceeded the inflation adjusted copper price for the year. Accordingly, a \$32.1 million liability to ENAMI was accrued at December 31, 2006, representing the 2006 obligation with a corresponding increase in the line item entitled "Interest and other" on the Consolidated Statements of Operations. The price participation amount payable to ENAMI for the year 2006 of \$32.1 million was paid in April 2007. The final \$12.8 million liability to ENAMI has been accrued at June 30, 2007 as the average realized copper price for the first six months of 2007 exceeded the inflation adjusted realized copper price for the period and will be paid to ENAMI in April 2008.

7. **Senior notes**

On March 10, 2003, Aur issued US\$125 million of senior unsecured notes (the "Notes") to a number of U.S. insurance companies. The Notes bear interest at 6.75% per annum, require semi-annual interest payments and are repayable at any time in whole or in part, subject to certain specified prepayment premiums based on prevailing interest rates at the time of prepayment.

The scheduled principal repayments are as follows:

	June 30 2007	December 31 2006
	\$	\$
Current portion		
March 2007	-	31,250
March 2008	31,250	-
	<u>31,250</u>	<u>31,250</u>
Long term portion		
March 2008	-	31,250
March 2009	31,250	31,250
March 2010	31,250	31,250
	<u>62,500</u>	<u>93,750</u>
	<u>93,750</u>	<u>125,000</u>

## 8. Revolving credit facility

On January 25, 2007, Aur obtained a four year revolving credit facility that permits borrowings of up to \$150 million. The terms of the facility require one of Aur's Chilean subsidiaries to provide cash collateral to the lender equal to the amount outstanding under the facility plus \$3 million. The excess interest expenses charged on the facility over the interest income earned on the collateralized cash is expected to be between 0.25% and 0.50% over the term of the facility. At June 30, 2007, \$125 million had been drawn on the facility and, accordingly, \$128 million was included in restricted cash on the balance sheet.

## 9. Share capital, earnings per share and stock-based compensation

### (a) Issued and outstanding

	Six months ended June 30			
	2007		2006	
	Shares # 000's	Amount \$	Shares # 000's	Amount \$
<b>Common shares</b>				
Balance – beginning of period	98,159	194,629	96,306	183,654
Share purchase options exercised	513	3,938	1,056	5,801
Balance – end of period	<u>98,672</u>	<u>198,567</u>	<u>97,362</u>	<u>189,455</u>

### (b) Earnings per common share

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
<b>(i) Basic</b>				
Numerator				
Net earnings available to shareholders	<u>84,125</u>	93,904	<u>141,945</u>	140,659
Denominator (# 000's)				
Weighted average number of shares	<u>98,474</u>	96,845	<u>98,474</u>	96,845
Basic earnings per share	<u>0.85</u>	0.97	<u>1.44</u>	1.45
<b>(ii) Diluted</b>				
Numerator				
Income available to shareholders	<u>84,125</u>	93,904	<u>141,945</u>	140,659
Denominator (# 000's)				
Weighted average number of shares	<u>98,474</u>	96,845	<u>98,474</u>	96,845
Potential incremental issuance from stock-based compensation	18	72	18	72
Potential issuance of shares from purchase options	<u>628</u>	991	<u>628</u>	991
	<u>99,120</u>	97,908	<u>99,120</u>	97,908
Diluted earnings per share	<u>0.85</u>	0.96	<u>1.43</u>	1.44



(c) **Stock-based compensation plans**

At June 30, 2007, Aur had one stock-based compensation plan, a common share purchase option plan (the "Plan"), which is described below.

The Plan is for directors, officers and senior management personnel of Aur. Options under the Plan are typically granted in such numbers as reflect the level of responsibility of the particular optionee and his or her contribution to the business and activities of Aur. Options granted under the Plan typically have a five year term and are typically made cumulatively exercisable by the holders thereof as to a proportionate part of the aggregate number of shares subject to the option over a specified term. Except in specified circumstances, options are not assignable and terminate upon the optionee ceasing to be employed by or associated with Aur. The terms of the Plan further provide that the price at which shares may be issued under the Plan cannot be less than the market price of the shares when the relevant options are granted.

Aur's common shares are listed on the Toronto Stock Exchange, trading in Canadian dollars, and the Santiago Stock Exchange, trading in United States dollars.

The following table summarizes information regarding Aur's outstanding and exercisable common share purchase options as at June 30, 2007:

<b>Outstanding</b>				<b>Exercisable</b>	
<b>Range of exercise prices per share</b>	<b>Shares</b>	<b>Weighted average months remaining</b>	<b>Weighted average exercise price per share</b>	<b>Shares</b>	<b>Weighted average exercise price per share</b>
<b>CDN\$</b>	<b># 000's</b>	<b>#</b>	<b>CDN\$</b>	<b># 000's</b>	<b>CDN\$</b>
3.30 to 6.96	183	27	6.21	41	5.71
7.05 to 11.21	419	39	9.70	87	11.21
12.63 to 17.46	355	47	15.51	127	13.94
18.25 to 25.51	762	55	22.66	185	21.57
	<b>1,719</b>			<b>440</b>	

The number of stock options outstanding at June 30, 2007 represents 1.7% of Aur's issued and outstanding common shares.



The following table summarizes information regarding Aur's common share purchase options as at and for the periods ended June 30, 2007:

	Three months ended		Six months ended	
	Shares # 000's	Weighted average exercise price per share CDN\$	Shares # 000's	Weighted average exercise price per share CDN\$
Balance – beginning of period	1,857	14.66	1,693	11.15
Granted	100	25.13	579	23.97
Exercised	(238)	7.36	(513)	8.74
Forfeited	-	-	(40)	7.41
Balance – end of period	<u>1,719</u>	<u>16.28</u>	<u>1,719</u>	<u>16.28</u>

For purposes of stock-based compensation, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants as follows: dividend yield of 0.32% (2006 – 0.6%), expected volatility of 39% (2006 – 42%), risk-free interest rate of 4.8% (2006 – 4.7%) and expected life of 32 months (2006 – 24 months).

10. **Accumulated other comprehensive income (loss)**

	Three months ended June 30, 2007	Six months ended June 30, 2007
	\$	\$
Balance - beginning of period:		
Unrealized losses on zinc forward sales agreement	(127,083)	(179,860)
Other comprehensive income (loss) for the period	(13,087)	39,690
Balance - end of period	<u>(140,170)</u>	<u>(140,170)</u>

11. **Other**

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Hypogene drilling – Quebrada Blanca	431	-	460	-
Interest on obligation under capital leases	187	103	388	211
Other income	(537)	(48)	(1,534)	(303)
Interest and financing costs	242	4	276	8
Foreign exchange	242	(411)	(980)	(902)
Loss (gain) on disposal of property, plant and equipment	-	8	(56)	(140)
Miscellaneous	20	143	37	204
	<u>585</u>	<u>(201)</u>	<u>(1,419)</u>	<u>(922)</u>



**12. Supplementary cash flow information**

	Three months ended June 30		Six months ended June 30	
	2007	2006	2007	2006
	\$	\$	\$	\$
Net change in non-cash working capital:				
Receivables	7,798	8,427	274	5,001
Inventories	(10,014)	(3,978)	(10,040)	(6,155)
Accounts payable and accrued liabilities	(38,455)	(426)	(47,820)	4,507
	<u>(40,671)</u>	<u>4,023</u>	<u>(57,586)</u>	<u>3,353</u>
Other information:				
Interest paid	1,714	4,219	5,933	4,219
Income, resource and capital taxes paid	60,965	34,724	72,620	37,703

**13. Fair value of financial instruments**

The carrying amount of cash, accounts receivable and current liabilities approximate their fair value due to the short term maturities of these instruments.

**Derivatives**

In January 2007, Aur entered into monthly forward sales contracts to hedge a portion of the scheduled zinc production from its wholly owned Duck Pond Mine and thereby protected itself from the risk that falling zinc prices would reduce revenue from zinc sales from its Duck Pond Mine.

Effective January 1, 2007, Aur adopted the recommendations of the Canadian Institute of Chartered Accountants ("CICA") relating to the circumstances in which hedge accounting is appropriate, including the identification, documentation, designation and effectiveness testing of hedges.

Aur formally documents the relationship between the derivative and hedged item. Aur also notes the risk management objective and strategy for using the derivative, the method for assessing effectiveness and the method of accounting. This process includes linking all derivatives to specific commodities and commitments for forecasted transactions.

Aur will recognize revenue on zinc forward sales contracts when the designated production is delivered to meet the contracted commitment. The average zinc price over the term of each monthly forward contract is used to calculate the revenue from the sale.



Aur's hedging commitments arising from this transaction, which are identified, on a monthly basis, over the period July 2007 through December 2011 and cover the first 75% of estimated scheduled zinc production during the period, are:

Year	Zinc Forward Sales		
	Hedge Tonnage	Average Price \$/tonne	Average Price \$/lb
2007 (July-December)	12,700	1,857	0.84
2008	25,900	1,723	0.78
2009	25,900	1,584	0.72
2010	25,900	1,479	0.67
2011	25,900	1,393	0.63
	<u>116,300</u>	<u>1,579</u>	<u>0.72</u>

At June 30, 2007, the estimated fair value of Aur's zinc forward sales based on a forward spot price of \$1.26 was a loss of \$140.2 million.

**14. Contingency**

In 2003, the Chilean Internal Revenue Service (the "IRS") issued to CMQB a notice of reassessment in respect of the deduction of certain components of guarantee fees owed to Aur and claimed as expenses by CMQB. The IRS assessed CMQB with taxes, as of November 11, 2003, of \$2.9 million, including interest, penalties and inflation adjustment to such date, together with a reduction of CMQB's tax loss carry forwards in the amount of \$20.2 million. CMQB contested such reassessment and, in August 2005, the Iquique Tax Court rendered a judgment confirming the IRS reassessment. CMQB appealed such judgment to the Court of Appeals of Iquique and, in October 2006, the Court of Appeals annulled such judgment. As a result, CMQB's contestation of the original IRS reassessment has been returned to the Iquique Tax Court for rehearing. It is the opinion of management and CMQB's legal counsel that CMQB's income tax filings with respect to the guarantee fees are reasonable and that the payment of the guarantee fees should not attract withholding taxes. Should the IRS ultimately be successful in its reassessment, Aur would record a pre-tax charge to earnings equal to its proportionate share of the amount of the reassessment, plus interest, penalties and inflation adjustment to the date of final judgment. At this time, the outcome of this judicial procedure cannot be determined and, accordingly, the loss, if any, has not been recorded in the consolidated financial statements.

**15. Subsequent event**

On July 3, 2007, Teck and Aur announced that Teck had, pursuant to a support agreement between Aur and Teck dated July 3, 2007, agreed to make a C\$4.1 billion cash and share offer to acquire all of the outstanding shares of Aur. The formal offer documents were mailed to shareholders and optionholders of Aur on July 17, 2007. The offer expires on August 21, 2007.

**END**