

WALL STREET REPORTER®

"Helping investors discover new opportunities"

MARCH 2007

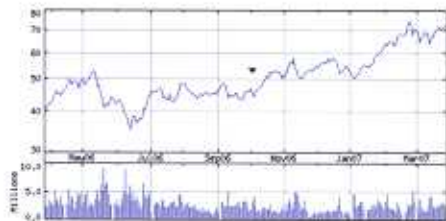


OSCAR GONZALEZ ROCHA, President & CEO, (Interview of March 12, 2007)

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Southern Copper Corporation engages in mining, processing, and producing copper, molybdenum, zinc, silver, gold, and lead.

SOUTHERN COPPER CORPORATION (NYSE: PCU)



Recent Price
\$70.94 (03/28/07)

52-week Range
\$34.83 to \$76.50

Shares Outstanding
294.46 million

Market Cap
20.89 billion

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WSR: *Bring us up to speed on the company's assets and operations.*

PCU: In terms of assets and operations, we are in three (3) countries. We have similar operations in both Mexico and Peru and exploration activities in Chile. We have two open-pit mines in Peru, Toquepala and Cuajone; in Mexico, our two (2) open-pit mines are Caridad and Cananea. In Mexico, we also have five (5) poly-metallic underground mines. In both countries, we have metallurgical complexes with smelter, refineries, and precious metals plants; we also have a rod plant in Mexico that we don't have in Peru. In addition, we have a metallurgical complex in Mexico that is for zinc and copper production.

WSR: *Give us a feel for where you are in terms of production levels, reserves, and so on.*

PCU: In production, we are at 700,000 metric tons per year. Over 95% of these are sold as refined copper, smelted and refined in our own metallurgical complexes. In Mexico, we produced 340,000 tons of refined copper and

in Peru 360,000 tons; with the increase of ore grade in Cananea in the next years we will be even. For the coming future we are planning expansions in Cananea and new projects in Peru that we will continue on that basis with a 15% production increase forecasted for 2009. Our sales in 2006 were USD\$5.5 billion and EBITDA of USD\$3.3 billion, which together represent 61% of EBITDA margin. 76% of our revenues are copper, and the remaining 24% is in zinc, silver, and molybdenum,

with Peru's 3.9 million ounces of silver and 6,000 metric tons of molybdenum. In Mexico, we have similar sales for molybdenum, but with a higher production of silver and a small amount of gold. We also have some mining concessions in Chile, in the exploratory stage.

WSR: *Will the company look to M&A activities as a catalyst towards continued growth?*

PCU: We have looked into several possibilities in the international markets for mergers and acquisitions. Basically, we believe we have to find opportunities that cover three (3) conditions:



SOUTHERN COPPER



The first one is that they have to be accretive from day one for our shareholders. The idea is that we will not go ahead unless this is a good deal for our shareholders.

The second condition is that it has to enhance our copper asset portfolio.

The third one is that it has to be a low-cost operation that fits fine with our current operations. The reason for this last condition is that one of the key characteristics of Southern Copper is that it is a very low-cost operation with a strong reserve base. In 2006 our cash cost per pound of copper was USD\$ 0.15. This figure compares with a copper price of approximately USD\$ 3.00, twenty times higher. Since we can operate at the current production rate for over 50 years, we don't have pressure in acquiring new reserves. Our reserve base is excellent.

WSR: Tell us about the present Board and management team.

PCU: The company is controlled by Grupo Mexico, with a 75% interest; the remaining

25% of shares are mostly with institutional investors from all over the world. We have more than 30,000 investors in Peru, Mexico, Europe, and North America.

The senior management of our company is composed by a high quality staff from our operations in Mexico and Peru. They have a strong mining background and have been running this same assets for more than 30 years. They know our mining operations and metallurgical plants very well. We believe we are prepared for the expansions we are thinking in Peru and Mexico with the same people; we may only hire some additional personnel to support the technicians we already have in place.

WSR: Does the investment community understand this company and the direction it's going in?

PCU: The investor community is beginning to realize that we have significant value to offer them; since the beginning of the year, our stock price has appreciated over 40%, a clear indication that we are being more closely



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looked at by our investors. One of the reasons investors mention is that we have a very high dividend yield. The current price of our stock is in the range of USD\$70 per share, with our dividend yield at about 7%. This has been an aggressive policy the company has recently implemented.

WSR: In closing, why should investors consider Southern Copper as a long-term investment opportunity?

PCU: We have the highest copper reserve of

any listed corporation; in addition, our cash costs are very low, 15 cents per pound for 2006. We are well diversified in assets and projects and have shown significant organic growth. We are heading towards 15% growth by the end of 2009, and another 20% increase by 2012. 95% of our production is sold completely refined, allowing us to have a good income because of the premiums obtained on top the market prices. We believe that all these attributes makes Southern Copper one of the best pure copper players for the investment community. ●

