Pan American Silver Corp.
Second Quarter 2007 Earnings Conference Call
August 14, 2007

Operator: Good morning. My name is Jeanie and I will be your conference operator today. At this time I would like to welcome everyone to the Pan American Silver Corporation Second Quarter 2007 Earnings conference call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks there will be a question and answer period. If you would like to pose a question, please press star then the number one on your telephone keypad. If you would like to withdraw your question press the pound key. Thank you.

It is now with great pleasure to turn the floor over to your host, Mr. Geoff Burns, President and CEO. Sir, you may begin your conference.

Geoff Burns: Thank you, Operator. Good morning ladies and gentlemen and welcome to Pan American Silver Second Quarter 2007 Earnings release conference call. Joining me today here in Vancouver are Steve Busby, our Senior Vice President of Project Development; Wayne Vincent our Controller; and Alexis Stewart our Director of Investor Relations. I'm planning on keeping today's call fairly brief. I will try to provide some color to our news release which we issued last night and I'm going to ask Steve Busby to update our construction activities in Argentina and Bolivia.

From an operating perspective, if you'll pardon the expression, we had a rock solid quarter. It was void of any amazing accomplishments and similarly without any significant issues. Don't get me wrong there was, and always is, a plethora of issues to deal with in our operating mines but that's normal operating and we've worked extremely hard to deliver these good second quarter results.

As I'm sure you can imagine I travel quite frequently given the location of our assets and I can recall being asked on numerous occasions what makes for a good flight and a good airline. For me it's pretty simple: it's one where the plane takes off when its schedule says it's supposed to and arrives when it's supposed to arrive without incident. Our second quarter falls pretty much into that category. I told you at the start of this year what we are expecting to achieve. The updated view on our schedule at the end of the first quarter with respect to Alamo Dorado and this quarter we have done almost exactly what we expected to without instance.

We produced just over 4.2 million ounces of silver in the second quarter, 27% higher than in the second quarter of 2006 and a new quarterly production record for Pan American. In addition to silver, our zinc, lead, copper and gold production were all higher as compared to the same period a year ago. This was exactly what we had planned. You'll probably recall from our first quarter conference call that our commissioning efforts at the company's newest silver mine; Alamo Dorado in Mexico were taking longer than we planned, but that we believed that by the end of April that most of the start up issues had been resolved and that we were going to see steadily increasing production. I am happy to be able to tell you that in April Alamo Dorado produced 233,000 ounces of silver; in May 275,000 ounces of silver and in June 348,000 ounces of silver. For the quarter that's 856,000 ounces. We are literally on the brink of obtaining design capacity and production rates. And I can say with confidence that we will achieve this in the coming weeks.

Our guidance remains unchanged in the first quarter and we expect to produce 3.6 million ounces of silver in 2007 at a cash cost of close to $3.50 per ounce at Alamo Dorado.

Moving to our other Mexican operation; we achieved record performance at La Colorada it was our second quarter's largest silver producer. After a bit of a slow start in 2007 our pure silver mine set a new mine record for silver production. In the second quarter La Colorada produced 1,035,974 ounces of silver; an increase of 15% as compared to Q2 2006 and up 21% over the first quarter of this year. The oxide and sulfide mills combined demonstrated a processing capacity of over 1,000 tonnes per day, well above the 800 tonnes per day we had hoped to consistently maintain this year and up approximately 50% of the 700 tonnes per day rate we were processing at the beginning of 2007. We are right on target to produce 3.8 million ounces of silver at La Colorada in 2007. Cash costs at La Colorada for the quarter were slightly higher than we had hoped for at $7.20 per ounce, primarily reflecting a one time $500,000 distribution for employee profit sharing. This profit sharing bonus is part of our continued effort to ensure that our employees share in the success of our company. As a result, relations with our employees remain strong and we have had no personnel losses at the mine in over six months.

Moving to Peru; at Morococha silver production for the second quarter was higher than forecast at just over 674,000 ounces and cash costs were the lowest in the mine's history at -$5.23 per ounce. This marked the fifth consecutive quarter of decreased cash costs, a benefit from high by-product zinc production and excellent zinc prices. Morococha has delivered a fine quarter and is on track to produce 2.7 million ounces for 2007. The Huaron mine maintained its solid performance throughout the second quarter and increased its silver production as compared to the second quarter of last year with 949,500 ounces. Cash costs in the second quarter remain steady at $1.90 per ounce of silver produced.

In order to offset a planned decline in silver head grade we increased the throughput at Huaron; the billing circuit has just set a new monthly tonnage record in July by processing 67,000 tonnes. Huaron should meet our 2007 forecast of 3.8 million ounces of silver.

At Quiruvilca silver production for the quarter was 407,000 ounces at cash costs of $1.30 per ounce. As anticipated production levels in the second quarter were similar to those of the first and we continue to encounter lower silver and zinc rates. We had expected to access higher grade ore below the 400 level as early as the third quarter of this year with the completion of our 400 level ramp development project. However, this project is running about four months behind as a result of low contractor availability. So, we are likely to maintain similar production levels as seen in the first and second quarter over the course of the third quarter with some improvement in the fourth when ore from the higher grade lower zones will be mined.

To round out our operation, I will make a couple comments on San Vicente's production before turning the call over to Steve Busby our Senior Vice President Project Development who will talk about our expansion plans at both San Vicente and progress at Manantial Espejo.

As many of you know in early June we announced the purchase of an additional 40% interest of the San Vicente project in Bolivia, increasing our ownership to 95%. At the same time we announced our plans to significantly expand production. Silver production from the second quarter at San Vicente was 173,634 ounces as we continue to mine in an extremely modest pace, processing about 250 tonnes per day.

Cash costs for the second quarter were $3.74 per ounce. In order to extract the real value of the high grade long life San Vicente ore mine we have started our expansion project which will include construction of a new 750 tonne per day processing plant and expansion of our underground mine working. The economic returns for this project are extremely attractive. We purchased the additional 40% interest for 9 million and for a relatively modest capital investment of $40.5 million we will add almost two million ounces of silver production per year at a cash cost of $2.00 per ounce. At our reserve prices of $9.00 per ounce of silver the project has an internal rate of return of 26% and a payback period of two and a half years. At today's prices the payback period is just over one year. Do I like the political risk in Bolivia? Not so much. Do I like the project's returns and potential? Very, very much.

I'm going to turn the call over to Steve now to review our plans for San Vicente and Manantial Espejo, Steve.

Steven Busby: Thank you, Geoff. We are well underway in preparing for the construction of the expansion project at San Vicente and enjoy a lead start with significant advance already in detailed engineering and determined activities. Total project expenditures to the end of June were $5.9 million and total commitments were $14 million. We have successfully staffed some of the key positions including our Country President, our Operations Manager and our Project Manager.

The San Vicente expansion project is defined as building a new 750 tonne per day flotation plant at the mine site, expanding production at the mine to feed the new plant, building a new tailings facility and upgrade the local infrastructure to support the larger mining operations. Once completed, the expanded operation will be capable of producing approximately 2.8 million ounces of silver annually on a 100% basis at a unit cash operating cost of $2.00 per ounce, net of by-product credit, for the first five years. As Geoff said earlier this is an increase of two million ounces of silver per year over today's production rate.

This production will be contained in two marketable products: a copper silver concentrate and a zinc silver concentrate. The expansion project includes replacement of the existing mine hoists and head frames to provide safe access for miners and materials as well as enhanced production from the existing developed areas of the mine. It also includes development of an approximate 2,300 meter underground decline ramp to provide access for rubber tired underground mining gear allowing for bulk mining methods on our larger and richer Litorale vein deposit. We have awarded a contract with an established mining contractor named Elesa to initiate the ramp construction beginning next month and to train our miners in mechanized mining methods.

We have engaged Lyntek Incorporated to provide engineering, procurement and construction management services to complete the construction of our new 750 ton per day selective flotation plant. Lyntek is an engineering construction company head quartered in Denver, Colorado and specialized in the design and construction of precious metal plants the size of San Vicente. Lyntek also has previous experience working in Bolivia. Lintech has already secured most of the long lead purchases and is preparing to begin construction in the fourth quarter of this year.

We are planning for several infrastructure upgrades including upgrading our camp, installing a new larger power line and building a reliable water system. Much of this is already well advanced. In addition, we are completing several local community projects including enhancing a school and repairing a community center. We continue to foster and sustain quality relations with the government and community who have been very supportive of our expansion project. We enjoy being located within a community of dedicated miners and miner families who have established their life in the area for several generations. We look forward to deploying this investment which will benefit them, the area, the Bolivian economy and our shareholders. Our goal is to have this new plant facility operational by the end of 2008.

In Argentina our construction efforts at Manantial Espejo continued on schedule and on budget achieving 33% overall project completion on $55.8 million of expenditure and total commitments of nearly $75 million by the end of June. During the second quarter we have substantially advanced the underground and surface mine developments, we've achieved full concrete placement rates, we advanced construction at this site's ancillary and infrastructure facilities and we've made good progress at completing several community infrastructure projects.

Specifically during the second quarter we have incurred no loss time accidents at this site, we have advanced 222 meters to a cumulative 686 meters on two underground access ramps after overcoming some challenging ground conditions and significant water inflows. Despite these challenges we are well within reach of our planned underground development schedule particularly given excellent advance we've experienced over the last few weeks where we've already exceeded last quarter's development advance.

We've mined nearly 485,000 tonnes of material from our open mine development of which more than 360,000 tonnes was used for tailing stamp construction and nearly 14,500 tonnes of low grade ore has already been mined and placed in a stockpile. We have successfully completed our tailing stamp construction in July on budget. We poured approximately 1,500 cubic meters of concrete primarily for the plant, bleach tanks, truck shock foundations which are essentially 25% of the total project requirement. We've also completed the first phase 30 home housing construction project and advanced on the apartment and cabin projects in the local community of Gobernador Gregores. These housing projects are crucial to support the total 423 personnel currently working on the project.

Over the remainder of 2007 we expect to essentially complete the concrete work and begin steel erections in preparation for major equipment deliveries scheduled for early 2008. We also expect to cross cut and begin on vein development on our two underground mine areas and also we'll move nearly 1.2 million tons of waste from our open pit mines. During these pit and underground development periods we expect to accumulate over 150,000 tons of ore prior to plant start up and this ore will be stockpiled ahead of the crusher. We remain confidently on budget and on schedule for mechanical completion in May of 2008 and expect commissioning to begin immediately thereafter.

This concludes my brief overview of our project advances, now I'd like to turn it back over to Geoff Burns.

Geoff Burns: Thanks Steve. As you can tell, we are extremely active executing our growth plans. With Manantial Espejo scheduled to come on stream at the end of May next year and San Vicente by December we are clearly poised to see production growth at Pan American in 2008, 2009 and well into 2010. With one exception our record production in the second quarter translated into some record financial results.

Cash flow from operations, before working capital adjustments, was the highest in the company's history at 31.5 million. Revenues from metal sales were up 26% as compared to the corresponding period in 2006, to 79.2 million and were the second highest we've ever recorded. Cash costs were good at $2.61 per ounce of silver produced and with increased profitability comes increased taxes as we recorded our highest tax revision ever at just over $10 milllion.

Finally we had our second highest quarterly net income ever at $18.5 million or $0.24 per share. This was 23% higher than a year ago. Net income for this quarter was second only to income recorded in the first quarter of this year when we included a $10 million gain for the sale of our interest in the Dukat Mine. Excluding that gain the second quarter was our strongest quarter yet in terms of earnings.

I realize that some of you are expecting even more from our bottom line, however, not unlike the first quarter our earnings would have been stronger still had we been able to recognize into income all of our production. In our first quarter conference call I noted that only 74% of our concentrate produced in Peru was shipped and recognized into sales, with remaining left in inventory, and I was hoping that we would see some of this inventory sold down during the current quarter. While we managed to ship most of the second quarter's concentrate we didn't see the inventory draw down I was expecting and there was still 10,000 tons of concentrate we produced this year that hasn't been sold. It will be over the remainder of this year and this should add another 7.5 million to our bottom line in the third and fourth quarters. In addition almost 400,000 ounces of Alamo Dorado silver production was unsold at the end of June, which we have now sold in the third quarter.

In summary, we had a very good quarter. We delivered record silver production, strong financial results and made significant advances on our growth plan. Most gratifying was to watch Alamo Dorado ramping up nicely, achieving commercial production and starting to make the positive contributions we had planned for it. The La Colorada mine had a great quarter and our Peruvian mines continue to deliver at expected production levels. As I said in my opening comments we had a solid quarter, I can't say there are any amazing accomplishments but similarly we experienced no significant problems. As for our growth plans I am satisfied with the construction progress of Manantial Espejo, San Vicente and look forward to seeing the start up of both of these operations next year.

For me, the second quarter can best be summarized by saying we are delivering on our plans. Overall 2007 is shaping up to be a most successful year. We remain on track to produce 17 million ounces, I see increased cash flows and earnings in the third and fourth quarters as we finally realize sales of our concentrate inventory and metal prices, particularly for silver, while more volatile of late have remained extremely buoyant.

Thank you, and Jeanie I would like to ask you to open the floor for questions.

Operator: Thank you. At this time I would like to remind everyone if you would like to pose a question to please press star and the number one on your telephone keypad. We'll pause for just a brief moment to compile the Q&A roster. Once again star, one to pose a question.

There appear to be no questions at this time and I would like to turn it back to Geoff Burns for any closing comments.

Actually we do have a question coming from Haytham Hodaly of Salman Partners, please go ahead.

Haytham Hodaly: Hey Geoff, I couldn't let you guys get away without any questions. Just one quick question with regards to costs, were the costs, obviously the costs in the second quarter were probably, they were higher than the same quarter of last year even though if you look back by-product credits were probably better now then they were then, what were some of the cost, and La Colorada, costs were higher than expected or higher than we would like, put it that way, what are some of the things you can do here in the next little while to bring some of those costs down.

Geoff Burns: First of all, at La Colorada, yeah, we were $7.20 an ounce as we said we had a one time distribution of profit sharing that I don't expect to see again this year, so we're going to be back in the $6.50 to $6.80 range which is pretty much normal for La Colorada and what I would expect going forward. On a consolidated basis our costs were higher than they were last year; the biggest influence is Alamo Dorado. If you look Alamo Dorado during the quarter was just over $4.00 an ounce and now that it's a real contributor that is essentially cost averaging is higher than we were a year ago, I do expect Alamo's costs to come down as we see production ramping up further, up to the sort of 400,000 ounces per month range just slightly over which is getting near capacity and I see that coming down so that should have a somewhat positive impact over the balance for the year. But in general, our costs are going to be somewhat higher with Alamo Dorado in there.

You're correct Haytham, the by-product credits have been better this year. That's really reflected at Morococha where we saw minus $5.23 an ounce.

In general, as I think you're probably aware, costs have - actual dollar expenditures to produce a ton of material have continued to go up, probably in the first part of this year another 6 to 8% increase in those costs. That is stabilizing right now and frankly I don't see much we can do to combat that and really maximize what we can do on the productivity side, it's just the inputs across the board are higher. So, I think what you're seeing right now, $2.60, I expect to be lower than that over the rest of the year, about $2.30, $2.25 but that's where we're going to be.

Haytham Hodaly: So, $2.25 as a consolidated for the whole you mean.

Geoff Burns: Yes, that is correct.

Haytham Hodaly: Let me ask you a couple of other questions since there wasn't that many questions out there. On the Alamo Dorado you said run rate of potentially 400,000 ounces, that's contained metal a month we're talking 4.8 million roughly for the year, for a year, once up and running. Did you say 3.6 this year, is that the number you threw out?

Geoff Burns: Yes, 3.6 this year.

Haytham Hodaly: So is 4.8 a reasonable number for next year then?

Geoff Burns: Yes, 4.8 to 5 is where I think they're going to be. I think we should get over 400,000 ounces but it's not going to be 500, it'll be 410, 420, right around 400 so 4.8 to 5 million is a reasonable number.

Haytham Hodaly: And for San Vicente we said that the expansion will get us as much as 2 million ounces, is that correct?

Geoff Burns: Two point eight.

Haytham Hodaly: Was that on a 100% basis, or what was that?

Geoff Burns: That's a 100% we've got 95% of it now.

Haytham Hodaly: Okay, and then how long before you actually get that 2.8? How long does the expansion take?

Geoff Burns: It will be December 2008 is our plan for construction completion, you can anticipate four to six months of start up. So I would say mid-2009, you'll would start to see full production rates.

Haytham Hodaly: At an annual run rate at that point of about 2.8 million ounces.

Geoff Burns: You betcha.

Haytham Hodaly: Okay and so this year what are you expecting from San Vicente?

Geoff Burns: On 100% basis we're expecting about 650,000 ounces, so for the first quarter we had 55% of that, starting in June we've got 95% of that, so again you only need to do a little bit of math there to work the number.

Haytham Hodaly: Just to one last thing, on Quiruvilca, what's happening with the mine life there, how many more realistic years do we have realistically do we have with this price structure? Or even let's say on what you think is fair maybe $ 9, $10 long term silver.

Geoff Burns: Right now I think our P&P sitting out in front of us is right on five or six years today. There certainly is additional inferred resource. At these prices that resource is clearly going to be economic once we have it drilled out and so at these levels we're still looking at plus 10 years at Quiruvilca.

Haytham Hodaly: So, that's a huge change from where you were a couple years ago when you were looking at closure.

Geoff Burns: A 180 degree change. As you recall Haytham in June of 2004 we were planning on shutting it down.

Haytham Hodaly: I remember; perfect. Thank you, Geoff.

Geoff Burns: Thank you, Geoff.

Operator: Thank you. Once again as a reminder if you would like to pose a question please press star then the number one on your telephone keypad. Thank you.

Your next question is coming from Kurt Bealer, Private Investor. Please go ahead.

Kurt Bealer: What is your expected production and sale of concentrate for 2008?

Geoff Burns: Oh boy, this year we're looking at producing almost 130,000 tons of concentrate and next year that will ramp up slightly with San Vicente to about 135 to 140,000 tons of concentrate. Kurt our expectation every year is that we will sell during the course of the entire year all of the concentrate we produce. That's the same this year we fully expect that the inventories that we've built up in the first and second quarters will be sold in the third and fourth.

Kurt Bealer: Okay, thank you.

Geoff Burns: You're welcome.

Operator: Thank you. Your next question is coming from Craig West of GMP Securities. Please go ahead.

Craig West: Hi Geoff. Sorry, I might have missed the very first few minutes of the call there so forgive me if you've covered this. I was just wondering if you could touch a bit on exploration activities and in particular exploration at Morococha.

Geoff Burns: Actually, I didn't make any comments this call on exploration. Now that you've asked the question I will. As you know we're planning overall the company's planning on drilling almost 100,000 meters of diamond drilling this year primarily, almost exclusively, at our operating properties of which almost half of that is targeted at Morococha. I can tell you that right now Craig, we have seven drill rigs churning. I can tell you that our program is on schedule. I can tell you that we've had some exceptional results not dissimilar to last year but I also can't give you the details of those results because at this point we have not done the full update to our reserve and resource statement and we're not planning on doing that; we were thinking about doing it mid year but just given where we're at in the program we just thought to defer that to make it an annual event much the same as last year. But I can say things are going very well in terms of our exploration efforts.

Craig West: Okay, and what about the drift that's going down at Morococha, there was some talk previously about it going through some ground that was maybe perspective but previously unexplored. Any updates on that at all?

Geoff Burns: Sure. That's the Manto Italia, Sierra Nevada ramp. We've done there now; I think we've gone through about 600 meters so far of that development. We did hit some pretty ratty ground early or late in the first quarter and through much of the second quarter and so our development rates were down to about a meter a day because we were putting in full-on ground support with steel arches and concrete, et cetera. We've gone through most of that ground now and we expect the production rate there to get back up to three meters to four meters a day which is normal.

So, it's been a very slow progress we're just getting through that ground and should be over the next four to five months hitting, as you described very clearly, some very perspective areas of our claim group. Areas that have subsequently never been explored nor drilled and areas where we fully expect to intersect veins. Just because of the slowness of some of the ground conditions we ran into we haven't quite got where we thought we would be. That program is, as you know, is still a two year program and really is going to be the lifeblood of that asset once it is complete accessing the north as well as the west and southern areas of our claim block.

As you probably know Craig the west, in particular, the southwest corner of our claim group is where our highest grades are in the Yacumina area, running four to five hundred grams per ton. So, it's moving ahead, it's a little bit behind where we thought it would be but I'm seeing it picking up now that we're back in some good ground and I do fully still expect to run into mineralization that we haven't seen before.

Craig West: Great, thanks a lot.

Geoff Burns: Thanks Craig.

Operator: Thank you. Your next question is coming from Alexander Emery of Bloomberg News. Please go ahead.

Alexander Emery: Yes, good morning Mr. Burns. You've mentioned that you didn't like the political risk in Bolivia; I was just interested to see how much concern there is with the government of Mr. Morales in the wake of what happened to Glencore's tin smelter and also the fact that apparently congress there is preparing to raise taxes on mining company profits to 37.5% next month. I just wondered how much concern those two issues are.

Geoff Burns: Thanks Alexander. I'll deal with the second issue first. We've anticipated that tax increase and have actually from a planning perspective have built it into our cash flow and project economic model so the economics that I gave earlier in the presentation indeed reflect that tax increase that has been proposed. I might add that tax increase has yet to go to congress. I don't know how many drafts there have been and there's been a lot of different discussions the numbers you're reflecting are the latest draft but Evo has yet to take it for approval.

On the second comment I'm really not concerned. Glencore and their assets were a very unique situation in Bolivia. Glencore had purchased the mining assets of the previous president, Goni (sp?) who unfortunately, or fortunately, I guess ended up leaving the country for political reasons and so those assets were very much a target of Mr. Morales. I don't feel exposed at all in the same way, in fact a partner of ours in this project is COMIBOL and we just met with COMIBOL literally two weeks ago who gave their blessing to our expansion plan, the board members from COMIBOL will be out visiting our site, they are actually genuinely about the investment we're making in Bolivia. So in terms of nationalization, I just don't have a real fear of that.

Alexander Emery: It sure is a tough place to do business though.

Geoff Burns: Make no mistake if I could move assets around I would perhaps gladly pick it up and move it to a different country, while it's not the most comforting location I am comfortable with our project.

Alexander Emery: Thank you and just one last question if I may, with that said have you had personal reassurance then from the Bolivia government that your investment will be respected.

Geoff Burns: Well, I guess other than the assurance that we're getting from COMIBOL which is a state mining company, do we have a written piece of paper that says our asset will never be touched, no. Frankly I would be surprised if anyone had a piece of paper that said something like that.

Alexander Emery: Thank you very much.

Operator: Thank you. Your final question is coming from Robb Parlanti of Turner Investment Partners, go ahead.

Mark Bianche: Thank you this is Mark Bianchi for Robb. We jumped on a little late and might have missed some prepared marks on the inventory build and associated non-shipping of concentrate. I heard you comment that you expect to ship that for the second half of the year and there's associated earnings with that, but can you just comment a little bit more on what the reasoning for the delay in the shipment is and is that something to expect again next year, is there a seasonality aspect to it.

Geoff Burns: Quarter to quarter our concentrate movements can vary quite dramatically. Our production levels are pretty consistent. But we sell to traders and we sell directly to smelters and they control the shipment schedule because they put together economic quantities to ship. A ship for example, each hold will hold either five or 10,000 tons of concentrate and they're not going to load the ships until they have a full hold, because they're going to pay for that hole whether they put one ton in it or 10,000 tons in it. So, we're a little bit at their mercy with respect to the absolute shipping dates.

In terms of the shipping quantity throughout the year, yes, they're committed to take our entire production between all the different traders and concentrate smelters that we deal with. So is there a seasonality to it, not particularly it really comes down to a number of factors not in our control of where they're purchasing their concentrates from, when they've got a ship coming in, where our material is in the production cycle.

So, for example in December of last year, we shipped about 30% more concentrate that we actually produced in one month. But I can't give you that month is going to happen again, I can't give you that, but what I can reiterate is our expectation is that in any given year that over the fullness of the year we will ship all the concentrate that we produce.

Mark Bianche: Are the clients on take or pay contract for the concentrate.

Geoff Burns: Well, they are committed to taking it and we have provisions that if they don't take it by a certain date that they have to provide us with provisional payment. So I guess that's close to a take or pay.

Mark Bianche: Okay, thank you.

Geoff Burns: Mark just, we're not concerned, it's not a concerning factor, as we said over the balance of the year we're going to ship all that concentrate. It's just a timing issue that's his us in the first and second quarter and it's going to reverse. That's the normal cycle for our business.

Operator: Thank you. I would now like to turn the call back to Mr. Geoff Burns for any closing comments. Please go ahead, sir.

Geoff Burns: Well thanks, Operator. Just one more time I want to thank everyone for joining us here this morning and to reiterate that I believe we had a very good second quarter and we delivered on the forecast that we had put forward and I very much look forward to updating each and every one of you at the end of the third quarter. Thank you.

Operator: Thank you. This concludes today's Pan American Silver Corporation Second Quarter 2007 Earnings conference call. You may now disconnect your lines at this time and have a wonderful afternoon.