

[LOGO] [Letterhead: COMPAÑÍA MINERA ATACHOCHA S.A.A.]

RB 037-2007

San Isidro, May 21, 2007

Sirs  
COMISION NACIONAL SUPERVISORA  
DE EMPRESAS Y VALORES CONASEV  
Present.-

Attention: Mr. Carlos Rivero  
General Manager (e)

Dear Sirs:

In accordance with Article 28 of the Sole Ordered Text of the "Law of Stock Market" approved by Supreme Decree 093-2002-EF and by Resolution of CONASEV No.107-2002-EF/94.10 "Regulations of Material Facts, Reserved Information and other Communications", we comply with informing as Material Fact, the following:

Regarding the precautionary measure ordered by the Third Commercial Court of Lima and that was reported as a Material Fact through our RB-027 dated March 22, 2007, the Court has ordered to LEAVE WITHOUT EFFECT THE PRECAUTIONARY MEASURE for having discovered that the same was issued based on translations of the documents submitted by CENTURY MINING CORPORATION, that maliciously omitted substantial aspects of its content. That is to say, the Court was not only able to notice the express lack of support of the precautionary measure, but also noticed that the plaintiff, CENTURY MINING CORPORATION has been acting against the procedure duties of veracity and probity.

In fact, as we have informed above, CENTURY MINING CORPORATION started before the Third Commercial Court of Lima, a proceeding of juridical act nullity against several persons, where it included our subsidiary Corporación Minera San Manuel S.A and Compañía Minera Atacocha S.A.A., with the purpose, amongst others, of declaring the nullity of the acquisition of 39,423,888 stocks from Compañía Minera Poderosa S.A., equal to 37.276% of its capital stock, by Corporación Minera San Manuel S.A. at stock exchange market round meeting dated November 22, 2006.

At said process, through Resolution No.3 (composed by Resolution No.8), dated March 12, 2007, the Court admitted the precautionary measure requested by CENTURY MINING CORPORATION, and ordered the suspension of the negotiation at the Lima Stock Exchange Market Round and all assignment act, of the stocks issued by Compañía Minera Poderosa, property of Corporación Minera San Manuel S.A.

The Court regarding the lifting of a request of precautionary measure submitted by one of the co-defendants and after having reviewed the submitted documents, with respect to the contractual relationship existing between the co-defendants and CENTURY MINING CORPORATION, it has decided through Decision No.20, dated May 10, 2007, TO LEAVE WITHOUT EFFECT THE GRANTED PRECAUTIONARY MEASURE.

The Judge, rectifying a mistake to which he was induced by the plaintiff, as it was acknowledged in the Ninth Whereas Clause of the Decision, he could observe that the document enclosed by CENTURY MINING CORPORATION at the request of the precautionary measure, results false, incomplete and twisted, this means, it was falsified information. As a sample of this conclusion, we quote some parts of said decision.

Regarding the Intention Letter dated October 11, 2006 that was entered into by and between CENTURY MINING CORPORATION and the co-defendants, it states in the Second Whereas Clause: *“...we have that the **translation submitted by the plaintiff**, on page 46 and following, **omitted the translation of number 2.4 of said letter**, regarding the item **“exclusivity and due diligence”** in the original document in English that appears on page forty two”*. In this sense, it states that the clause whose translation was omitted stated that *“(...) it is contemplated that the closing of the operation will occur on or before the month following the subscription of the intention agreement.”*

Likewise, the Judge also noticed a material difference between the translation and the communication dated November 10, 2006 submitted by CENTURY MINING CORPORATION and the text of the document submitted in the original language, stating in the Fifth Whereas Clause the following: *“difference that can be observed with basic or elemental knowledge of the English language, since **the original text makes no reference whatsoever to a extension period neither mentions it the date “November twenty four of the year two thousand six”**”*.

Therefore, having the Judge corroborated substantial and determining differences between the unofficial translations of the documents submitted by CENTURY MINING CORPORATION and the original documents submitted by the co-defendants, it concluded in the Seventh Whereas Clause that: *“**the appearance of truth of the right that supported the request of precautionary measure has disappeared**, not only due to that regarding the expiration of the term of the Letter of Intention but also due to the omission and incorrect translation mentioned in the whereas clauses above; the same that specifically are related to the term of the referred to letter, **that (...) reveals a behavior that goes against the principles of veracity and probity**, even more if the plaintiff has issued no opinion on the issue.”*

Likewise, we express that our subsidiary, CORPORACIÓN MINERA SAN MANUEL S.A. will proceed to make the legal actions that may allow the same to compensate itself from all damages caused during the legal effect of the precautionary measure, that was given without any legal support and, based on documents that were falsified and altered by the plaintiff itself.

Without prejudice of that mentioned above, we have ordered our lawyers to carry out the corresponding actions against the representatives of the plaintiff, CENTURY MINING CORPORATION, with the purpose of establishing the commission of crimes derived from the submission of falsified translations; reason why, we will timely request the Court to issue certified copies of all the precautionary docket, for the same to be sent to the Public Ministry, in order to formalize the corresponding denounce.

Having no further ado, we remain at your disposal.

Sincerely,

COMPAÑÍA MINERA ATACHOCHA S.A.A.  
(Illegible Signature)  
Sergio Escalante Ruiz  
Stock Exchange Transactions Representative

SEAL ON TOP OF THE PAGE STATES: JOSE URTEAGA CALDERON  
NOTARY PUBLIC OF LIMA  
AV. JAVIER PRADO OESTE No.663-MAGDALENA  
Telefax 2619506 Telephones: 2619188/ 2619678

SEAL ON THE BOTTOM OF THE PAGE: LEGALIZATION ON THE OTHER  
SIDE

**I JOSÉ URTEAGA CALDERON-NOTARY PUBLIC OF LIMA CERTIFIES THAT: THE SIGNATURE APPEARING ON THE OTHER SIDE OF THIS DOCUMENT CORRESPONDS TO THE ONE OF SERGIO GUILLERMO ESCALANTE RUIZ IDENTIFIED WITH NATIONAL IDENTITY DOCUMENT No.07272791 WHO ACTS ON BEHALF OF COMPAÑIA MINERA ATACOCHA S.A. ACCORDING TO POWER OF ATTORNEY RECORDED IN ENTRY No.11362585 OF THE REGISTRY OFFICE OF LIMA. SIGNATURE IS LEGALIZED BUT NOT THE CONTENT. LIMA, JUNE 01, 2007.**

SEAL: (SIGNATURE ILLEGIBLE)  
JOSÉ URTEAGA CALDERÓN – LAWYER- NOTARY PUBLIC  
ROUND SEAL: JOSÉ URTEAGA CALDERÓN NOTARY PUBLIC OF LIMA  
SEAL: NOTARY PUBLIC ASSOCIATION – PERU  
SEAL: CHECK  
RED STICKER: REPUBLIC OF PERU

Seal: THE PRESIDENT OF THE BOARD OF DEANS OF THE NOTARY PUBLIC ASSOCIATIONS OF PERU, CERTIFIES THAT, the signature and seals appearing on this page above correspond to the Lima Notary Public, JOSÉ URTEAGA CALDERÓN currently in exercise.  
B/F.2523 (last number illegible) Date: 06/04/2007

(Signature Illegible)  
ORLANDO MALCA PEREZ

ROUND SEAL: BOARD OF DEANS OF THE NOTARY PUBLIC ASSOCIATIONS OF PERU

**PERUVIAN MINISTRY OF FOREIGN AFFAIRS  
GENERAL OFFICE OF CONSULAR AFFAIRS**

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The foregoing signature of Mr(s). Orlando Malca Perez is hereby legalized, without judgment as to the contents of the document.

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MARIBEL DEL ROSARIO LUYO JAVIER  
Department of Legalizations / SEAL  
Office of Consular Affaires

Lima, JUN 05, 2007