

**COMPAÑÍA MINERA ATACOCHA S.A.A.**  
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San Isidro, June 14, 2007

Messrs.  
**COMISIÓN NACIONAL SUPERVISORA**  
**DE EMPRESAS Y VALORES – CONASEV**  
LIMA – PERU

Attention: Mr. Carlos Rivero  
Acting General Manager

Dear sirs:

Pursuant to the provisions of Section 28 of the Consolidated Text of the Security Exchange Act approved by Supreme Executive Order 093-2002-EF and Resolution CONASEV 107-2002-EF/94.10 "Regulations of Facts of Importance, Reserved Information and Other Communications", we hereby inform you as follows regarding the Facts of Importance:

Recently, Century Mining Corporation published and commented inaccurate information on legal proceedings in which Compañía Minera Atacocha S.A.A. and our affiliate Corporación Minera San Manuel S.A. are involved. According to Section 6 of the Regulations of Facts of Importance, Reserved Information and Other Communications approved by Resolution CONASEV 107-2002-EF/94.10, the issuers should clarify any false inaccurate or incomplete information on Facts of Importance and Other Communications related to their company.

It is not a policy of Compañía Minera Atacocha S.A.A. to transform the market in a forum for discussing lawsuits and controversies. The place is the courts of justice. However, we deem it necessary that our shareholders and the market should be objectively informed of the development of matters of interest for the company.

The actual situation of the legal proceedings brought by Century Mining Corporation and its subsidiaries against Compañía Minera Atacocha S.A.A., its affiliates and representatives should be clarified preventing that the tendencious and incomplete information that Century Mining Corporation is giving to its shareholders may cause confusion among our shareholders and the Peruvian market.

## **BACKGROUND**

On November 22, 2006, Corporación Minera San Manuel S.A. acquired in a Stock Exchange Session 37.27% of the shares with voting rights of Compañía Minera Poderosa S.A. in an operation conducted according to the Peruvian legal provisions. Later, on December 15 of the same year, also in a Lima Stock Exchange Session, Corporación Minera San Manuel S.A. bought an additional package that exceeded 50% of the total capital stock of Compañía Minera Poderosa S.A.

In January 2007, Century Mining Corporation filed a criminal complaint against all the persons that as sellers or buyers participated in a purchase operation of the Lima Stock Exchange on November 22, 2006, among them, the legal representatives of Corporación Minera San Manuel S.A. and Compañía Minera Atacocha S.A.A. charging them with presumed offenses of fraud, generic falsehood and misrepresentation in an administrative proceeding. The petitioner maintained that it had entered with the selling shareholders an exclusive option agreement over the shares subject matter of the transaction and that such agreement had not been complied with by bad faith of the defendants. The complaint was filed with the Thirty Second Criminal District Attorney's Office in and for Lima, which commenced the respective investigations.

Simultaneously, in January 2007, Century Mining Corporation filed with the Third Civil Commercial Court of Lima against Corporación Minera San Manuel S.A., Compañía Minera Atacocha S.A.A. and other third parties revocation proceedings for the purchase of 37.27% of the shares of Compañía Minera Poderosa S.A. transacted in the Lima Stock Exchange session by Corporación Minera San Manuel S.A. on November 22, 2006. Together with the admission of the complaint, the Third Civil Commercial Court **unduly and abusively** ordered an interim equitable relief that suspended the negotiation of all shares of Compañía Minera Poderosa S.A. owned by Corporación Minera San Manuel S.A., i.e. more than 50% of the capital of such company, with a stock exchange capitalization exceeding S/. 700 million as at such date. It is but inadmissible that to order an extremely damaging interim equitable relief, the court accepted a counter guarantee of US\$10,000, evidently out of proportion under any measure and outrageously insufficient.

These events were subject matter of our Facts of Importance made known to the market on last March 22 to which we refer for further precision.

Later, as informed in our Fact of Importance of last May 21, the same Third Civil Commercial Court ordered the **ineffectiveness** of the interim equitable relief unduly ordered maintaining that it had been maliciously taken by surprise and induced to error by the petitioner Century Mining Corporation.

It should be added that due to the irregularities detected in the proceedings brought before the Third Civil Commercial Court, Corporación Minera San Manuel S.A. has filed a complaint against the competent Supervisory Body that is presently in process.

On one hand, Century Mining Corporation has filed a petition for settlement with ten individuals and legal entities, including Compañía Minera Atacocha S.A.A. and

Corporación Minera San Manuel S.A with respect to the cause of action subject matter of settlement. In this regard, we ratify our Fact of Importance of last March 22, which considered that the allegations of Century Mining Corporation lack legal support and that we never had any relation whatsoever with Century Mining Corporation or any of the companies of its business group.

The following is the actual situation of the legal proceedings:

### **1) Criminal Complaint: NO GROUNDS FOR BRINGING A CRIMINAL ACTION**

Through ruling of April 23, 2007, the Thirty Second Criminal District State Attorney's Office of Lima declared that no grounds existed for filing a criminal complaint, among others, against the legal representatives of **Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A.** for the presumed offenses of fraud, generic falsehood and misrepresentation in an administrative proceeding against Century Mining Perú S.A.C., Century Mining Corporation and the State.

On June 6, the cited District Attorney's Office admitted the ruling referred to herein against the representatives of Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A. Therefore, the complaint filed against Corporación Minera San Manuel S.A.C by Century Mining Perú S.A.C., an affiliate of Century Mining Corporation, has been filed away.

The foregoing means that after an exhaustive investigation of the presumably illicit facts claimed by Century Mining Perú S.A.C. the Government Attorney General's Office, holder of the criminal action, has filed away evidencing that both Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A. have acted at all times according to law.

As indicated in our Fact of Importance of last May 21, Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A. will commence the appropriate legal actions against the representatives of Century Mining Peru S.A.C. for having filed a false complaint.

### **2) Revocation Proceedings for Purchase Transaction: THE JUDGE ORDERED THE RELEASE OF THE INTERIM EQUITABLE RELIEF**

As we informed through the Fact of Importance dated May 21, 2007, we reiterate that the Third Civil Commercial Court of Lima ordered the ineffectiveness of the interim equitable relief applied for by Century Mining Corporation over the shares of Compañía Minera Poderosa S.A. owned by our affiliate company Corporación Minera San Manuel S.A.

We clarify that the ruling that released the interim equitable relief ordered by the Third Civil Commercial Court HAS NOT BEEN REPEALED, or made ineffective as has been deceitfully insinuated, in a publication of Century Mining Corporation on last June 5. According to the Peruvian procedural rules, Century Mining Corporation filed an appeal against the ruling; in addition, its processing has been admitted by the court and the

interim equitable relief docket should be first made known to the respective Commercial Division of the Court of Appeals in and for Lima.

It should be recalled that the main reason of the Third Civil Commercial Court of Lima for ordering the ineffectiveness of the interim equitable relief was its discovery that it had been induced to error by Century Mining Corporation through the presentation of false documents that were not true copies of the originals prepared in English. This is an evidently serious accusation against Century Mining Corporation and its representatives.

We transcribe the seventh whereas clause of the court ruling that we consider especially illustrative of the scope of the release of the interim equitable relief.

*“Taking into account that the cause of action of the petitioner in these proceedings consists in declaring the annulment of the transfer of shares made on November 22, 2006, then it is obvious that the truthfulness of the right supporting the interim equitable relief has disappeared, not only with reference to the expiration of the term of the Letter of Intent, but also with reference to the omission and incorrect translation alleged in the preceding whereas clauses that precisely are referred to the term of the effectiveness of this letter, which apparently reveals a conduct that is contrary to the principles of truthfulness and honesty, moreover, if the petitioner has not referred to them in its instrument of dismissal of the case. These are issues on which the Court will have to decide at the time of its ruling after appraising the accepted means of proof, applying if such is the case, the provisions of Section 621 of the Code of Civil Procedure, among other applicable provisions.”*

It should be indicated that to understand the seriousness of the conduct of the representatives of Century Mining Corporation in this case, the Certified Public Translator of the translations that were presented by Century Mining Corporation has filed with the Third Civil Commercial Court of Lima an instrument releasing her liability for the handling of the documents indicating to have been unduly taken by surprise by Century Mining Corporation representatives.

The full text of the ruling of the Third Civil Commercial Court can be consulted in [www.atacocha.com.pe](http://www.atacocha.com.pe). We also have at the disposal of our shareholders and the market a free version in the English language.

### **3) Settlement: CENTURY DID NOT APPEAR AT THE FIRST CALL**

Century Mining Corporation has stated in an official press release dated last June 5 that its right to file an action against a group of individuals and legal entities, among them Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A. for a total of US\$85 million is ready and can be commenced immediately because the summoned persons did not appear at the settlement hearing fixed for last May 29. Century Mining Corporation also affirms that the failure of the summoned persons to appear places its company in a good position before the action that they will commence.

We should clarify that the statements of Century Mining Corporation are once more false and tendencious. Normally, all settlement proceedings consider two dates. In the case of the notice given by Century Mining Corporation, its own representatives did not appear for purposes of frustrating that a new date be fixed for the settlement. It is not true, therefore, that the settlement was frustrated by the non attendance of the summoned parties, as its own representatives did not appear. As regards to the cause of action of Century Mining Corporation, we reiterate that its instruments lack legal support, Corporación Minera San Manuel S.A. acquired the shares of Compañía Minera Poderosa S.A. in a Lima Exchange Session conducted in accordance with the Peruvian legal provisions governing such transactions. There has never been any relation whatsoever with Century Mining Corporation or any company of its business group. Therefore there is no matter about which to settle.

**Finally, we reiterate that we are not responsible for the information that Century Mining Corporation gives to its shareholders and the market in which it is quoted. Nor are we responsible for the consequences of the bold acts and conduct that its representatives may have over such company and the interests of its shareholders. It is difficult to admit that an investor, Century Mining Corporation, coming from a developed and serious market, be devoted to promoting a reprehensible conduct in Peru, demonstrating the most absolute lack of respect for the institutions of the country,**

**As can be evidenced, Compañía Minera Atacocha S.A.A. and Corporación Minera San Manuel S.A. have seriously and consistently taken all the necessary legal measures to protect the interests of the company and its shareholders. This will comprise the total repair of the damages caused and that may be caused by Century Mining Corporation and its representatives, as well as the follow-up of the criminal complaints and sanctions against all the persons that have been material or intellectual authors of the facts referred to herein.**

Yours very truly,

**COMPAÑÍA MINERA ATACUCHA S.A.A.**  
(signed)

Sergio Escalante Ruiz  
Exchange Representative

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