



La Oroya Metallurgical Complex, Junin, Peru, 2007

“DRP BUSINESS IN THE CENTRAL HIGHLANDS OF PERU (LA OROYA), FUTURE POTENTIAL IN THE NATIONAL AND WORLD CONTEXT, AND BUSINESS POTENTIAL IN THE 21st CENTURY”

JUAN CARLOS HUYHUA

**President and General Manager
Doe Run Peru**

Lima, November 29, 2007

**“Ten years committed to
the country’s development”**

CONTENTS

- 1. SAFETY CONTACT**
- 2. DRP BUSINESS IN THE CENTRAL HIGHLANDS OF PERU**
 - 2.1. Historical Background
 - 2.2. Multi-Metal Mining Potential in the Central Highlands
 - 2.3. Mining and Metallurgical Production Ranking
 - 2.4. Integrated Businesses in La Oroya
 - 2.5. World Market
 - 2.6. Future Business Opportunities (Bismuth and Indium)
- 3. OPERATIONS AND METALLURGICAL PROCESSES AT THE LA OROYA METALLURGICAL COMPLEX, 2007**
- 4. UPDATE ON THE ENVIRONMENTAL ADJUSTMENT AND MANAGEMENT PROGRAM (PAMA) OCTOBER 24, 1997 TO PRESENT**
 - 4.1 Completion of eight PAMA projects (October 24, 2007 - December 31, 2006)
 - 4.2 Construction of Sulfuric Acid Plants (completion of the last PAMA project and complementary projects - October 2009)

5. ENVIRONMENTAL COMPLIANCE AT THE LA OROYA METALLURGICAL COMPLEX

- 5.1 Current Environmental Law
- 5.2 Mine Closure Law
- 5.3 Third-Party Environmental Liabilities
- 5.4 Compliances with PAMA Extension
- 5.5 Future Environmental Control

6. UPDATE ON LEGAL ISSUES

- 6.1. Labor, Civil and Penal Actions
- 6.2. Mineral Rights (mining concessions) in La Oroya
- 6.3. Surface Property Land Owner Rights

1. SAFETY CONTACT
(Mike Sankovitch)

2. DRP BUSINESS IN THE CENTRAL HIGHLANDS OF PERU

(Juan Carlos Huyhua)

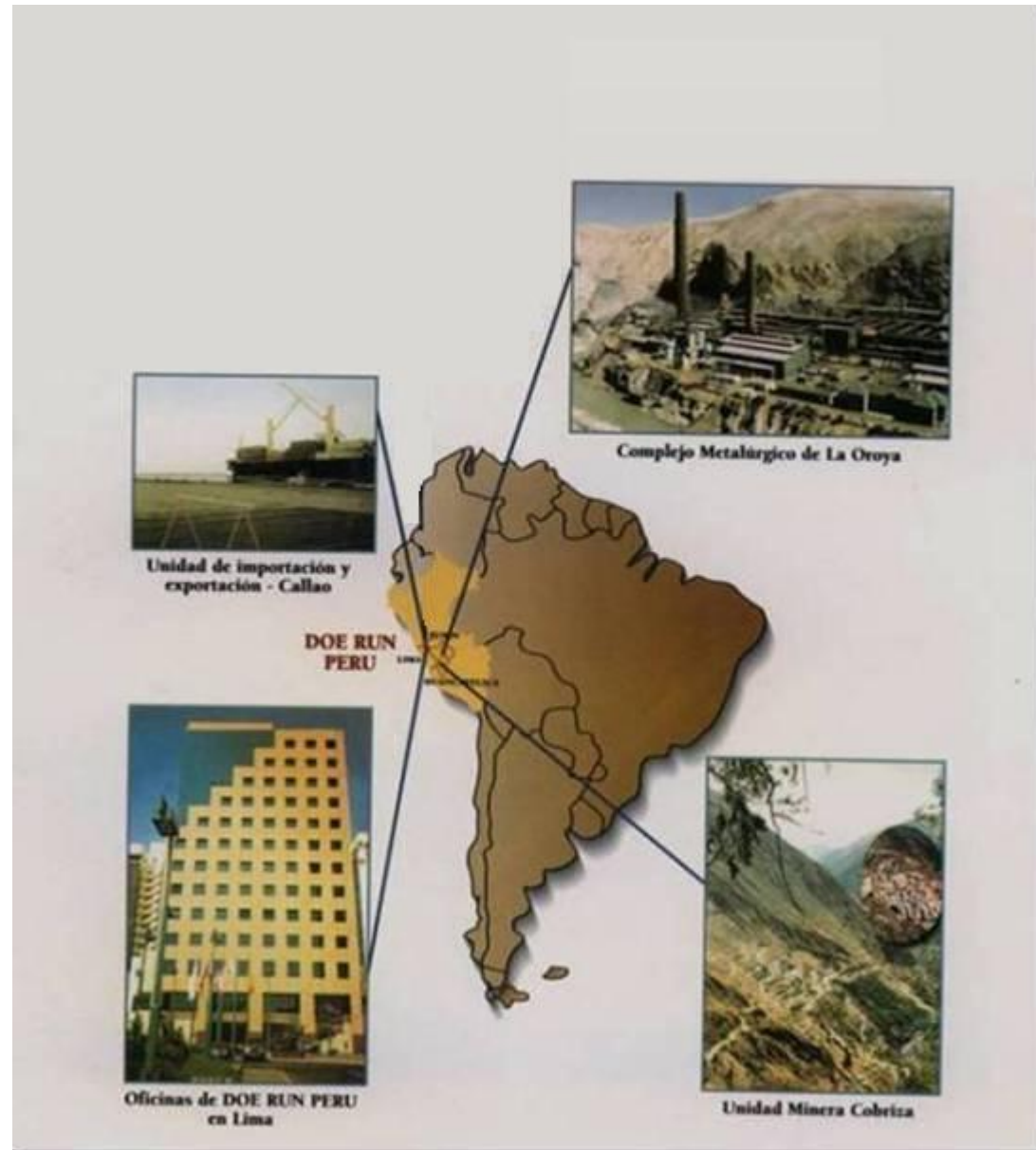
DOE RUN PERU LOCATION

LA OROYA

Location: 180 KM NE from Lima
Altitude: 3,775 m.s.a.l.

COBRIZA

Location: 340 KM SE from La Oroya
Altitude: 2,000 m.s.a.l.



HISTORY OF THE LA OROYA METALLURGICAL COMPLEX



75 YEARS

Cerro de Pasco Corporation:

- 1922: Copper Smelter
- 1928: Lead Smelter
- 1941: Central Cottrell (130 t/d)
- 1950: Precious Metals
- 1952: Zinc Refinery
- 1967: Central Cottrell Modernization

Centromin Perú – CMP:

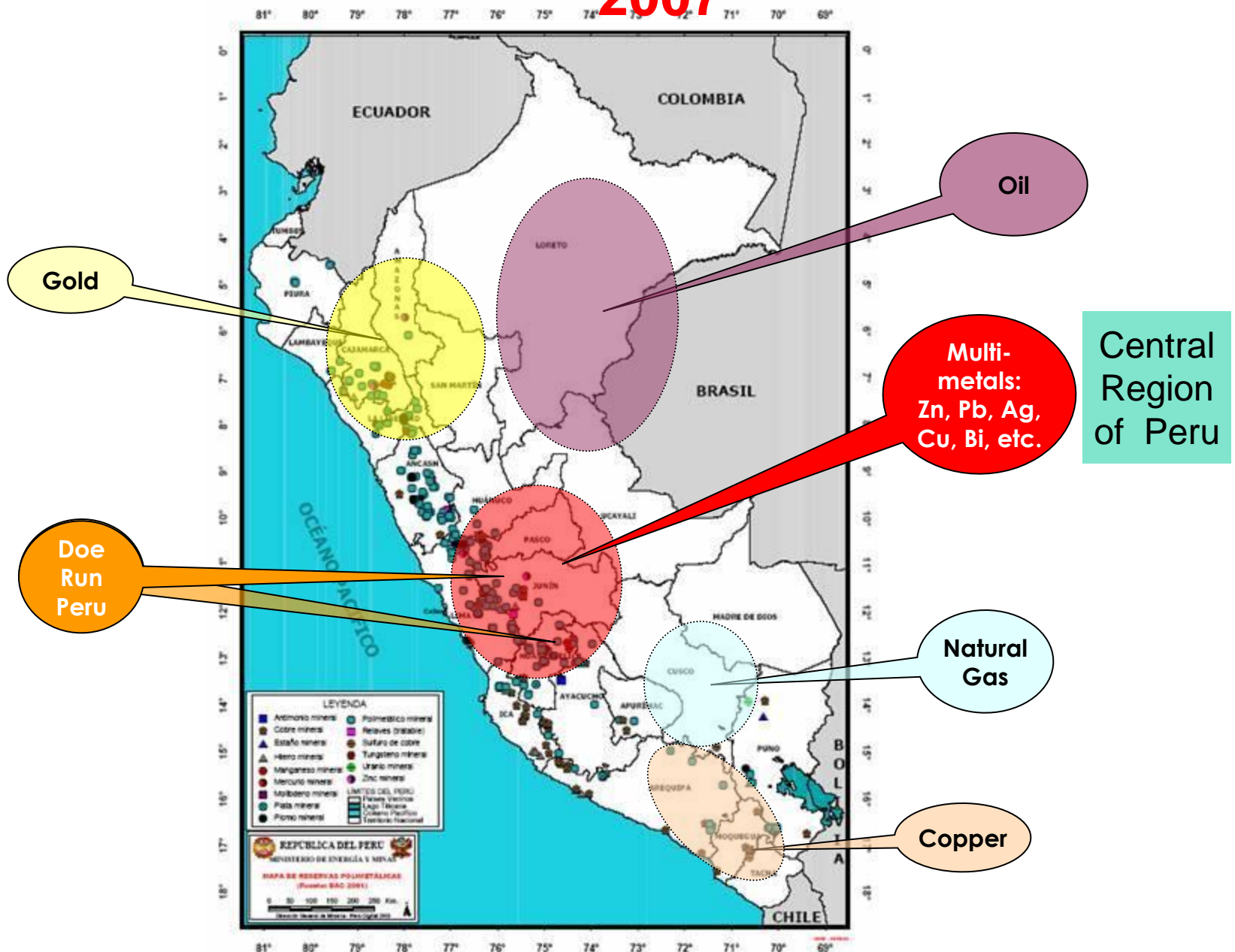
- 1974: Takeover by the Government
- 1983: Sinter Plant
- 1994: Oxygen Plant
- 1996: Central Cottrell (9 t/d)

Doe Run Peru SRL:

- 1997: Doe Run Peru (Oct. 24)
- 1998: Beginning of PAMA execution
- 1999: Curtailment of operations
- 2003: MINSA – DRP Agreement
- 2005: Zinc production reduction
- 2006: 8 out of 9 PAMA projects have been completed
- 2007: Main stack emissions on Maximum Permissible Levels-MPL
- 2007: AQS for Pb and PM10

10 YEARS

MINING, OIL AND ENERGY IN PERU - 2007





JANCA O CORDILLERA > 4,800 masl

PUNA 4,100 – 4,800 mss (Ticlio)

SUNI O JALCA 3,500 – 4,100 masl (La Oroya)

QUECHUA 2,300 – 3,500 masl

YUNGA 500 – 2,300 masl (Cobriza)

COSTA O CHALA 0 – 500 masl

RUPARUPA O SELVA ALTA

OMAGUA O SELVA BAJA



LA OROYA EVOLUTION



1. Ocean bottom: predominantly limestone
2. Varied Geography
3. Natural Region where we operate:
 - QUECHUA: 2,300 – 3,500 masl
 - **SUNI o JALCA**: 3,500 – 4,000 masl
 - **La Oroya**
 - PUNA: 4,000 – 4,800 masl
 - JANCA: above 4,800 masl: **Ticlio**, etc.
4. Mean Temperature: from - 5 to 18 °C
5. Atmospheric Pressure: 0.65 atm
6. Water boils at 85 °C
7. Rains: Dec. – Mar. (50 mm)

STRENGTHS OF THE LA OROYA METALLURGICAL COMPLEX

11



- Close to many poly-metallic mines
- Rail and road transportation
- Fifty-one patents and twenty products

PRODUCTION RANKING IN PERU, LATIN AMERICA AND WORLDWIDE

METAL		MINE PRODUCTION		RANKING		Refined in La Oroya (%) [*]
		Worldwide	Peru	Latin America	Worldwide	
Copper	Mt	15,300	1,050	2nd	3rd	6
Lead	Mt	3,360	320	1st	4th	38
Zinc	Mt	10,000	1,210	1st	3rd	3
Silver	mt	19,500	3,200	1st	1st	33
Gold	mt	2,500	162	1st	5th	3
Bismuth	mt	6,700	950	2nd	3rd	100
Indium	mt	480	6	1st	8th	100

* Versus Peru's production

WORLD SILVER SUPPLY AND DEMAND

1997 – 2006 (millions of ounces)

Year	Mine Produc.	Total	
		Supply	Demand
2006	646.1	911.8	911.8
2005	645.7	925.6	925.6
2004	622.2	875.2	875.2
2003	600.7	873.4	873.4
2002	593.8	848.7	848.7
2001	606.2	870.7	870.7
2000	590.9	915.4	915.4
1999	556.8	877.5	877.5
1998	542.1	821.2	821.2
1997	520.0	836.3	836.3

World Mine Prod 2006 Top Four

% of

Total

Peru	17%
Mexico	15%
China	12%
Australia	9%

TOP SILVER PRODUCING COUNTRIES

(Millions of ounces)

No.	Country	1995
1.	Mexico	74.7
2.	Peru	61.4
3.	United States	49.8
4.	Canada	38.8
5.	Chile	33.5
6.	Poland	32.2
7.	Australia	29.6
8.	China	29.2
9.	Russia	19.3

No.	Country	1999
1.	Mexico	75.2
2.	Peru	71.3
3.	United States	62.9
4.	Australia	55.3
5.	Chile	44.8
6.	Russia	44.3
7.	China	44.2
8.	Canada	37.5
9.	Poland	35.8
10.	Bolivia	12.3

No.	Country	2005
1.	Peru	102.6
2.	Mexico	92.3
3.	Australia	77.4
4.	China	64.7
5.	Chile	44.3
6.	Russia	42.2
7.	Poland	40.5
8.	United States	39.2
9.	Canada	34.1
10.	Kazakhstan	25.9
11.	Bolivia	12.8
12.	Indonesia	9.9
13.	Sweden	9.1
14.	Moroco	7.4
15.	Argentina	5.2
16.	Turkey	5.2
17.	South Africa	2.8
18.	Iran	2.6
19.	Uzbekistan	2.2
20.	India	2.1

No.	Country	2006
1.	Peru	111.6
2.	Mexico	96.4
3.	China	75.4
4.	Australia	55.6
5.	Chile	51.5
6.	Poland	40.4
7.	Russia	39.6
8.	United States	36.7
9.	Canada	31.2
10.	Kazakhstan	26.1
11.	Bolivia	15.2
12.	Sweden	8.6
13.	Indonesia	7.7
14.	Moroco	7.6
15.	Argentina	6.1
16.	Turkey	6.0
17.	Iran	3.2
18.	South Africa	2.8
19.	India	2.7
20.	Uzbekistan	2.3

No.	Country	1992*
1.	Mexico	65.0
2.	United States	61.0
3.	Peru	48.0
4.	Canada	36.3
5.	Australia	40.1
6.	Papua New G.	3.5

* Source: CPM Group, 2001

LA OROYA: THE MOST TECHNICAL METALLURGICAL COMPLEX IN THE WORLD

Added Values
DOE RUN PERU

OUR PRODUCTS

POLLY-METALLIC CONCENTRATES

Copper
Lead
Zinc

590,000 MT/year
(Domestic: 90%)

- 51 patents (Know How)
- Own technology
- Processes and suppliers synergy
- Experience
- Strategic location
- Transport
- Modernization opportunities

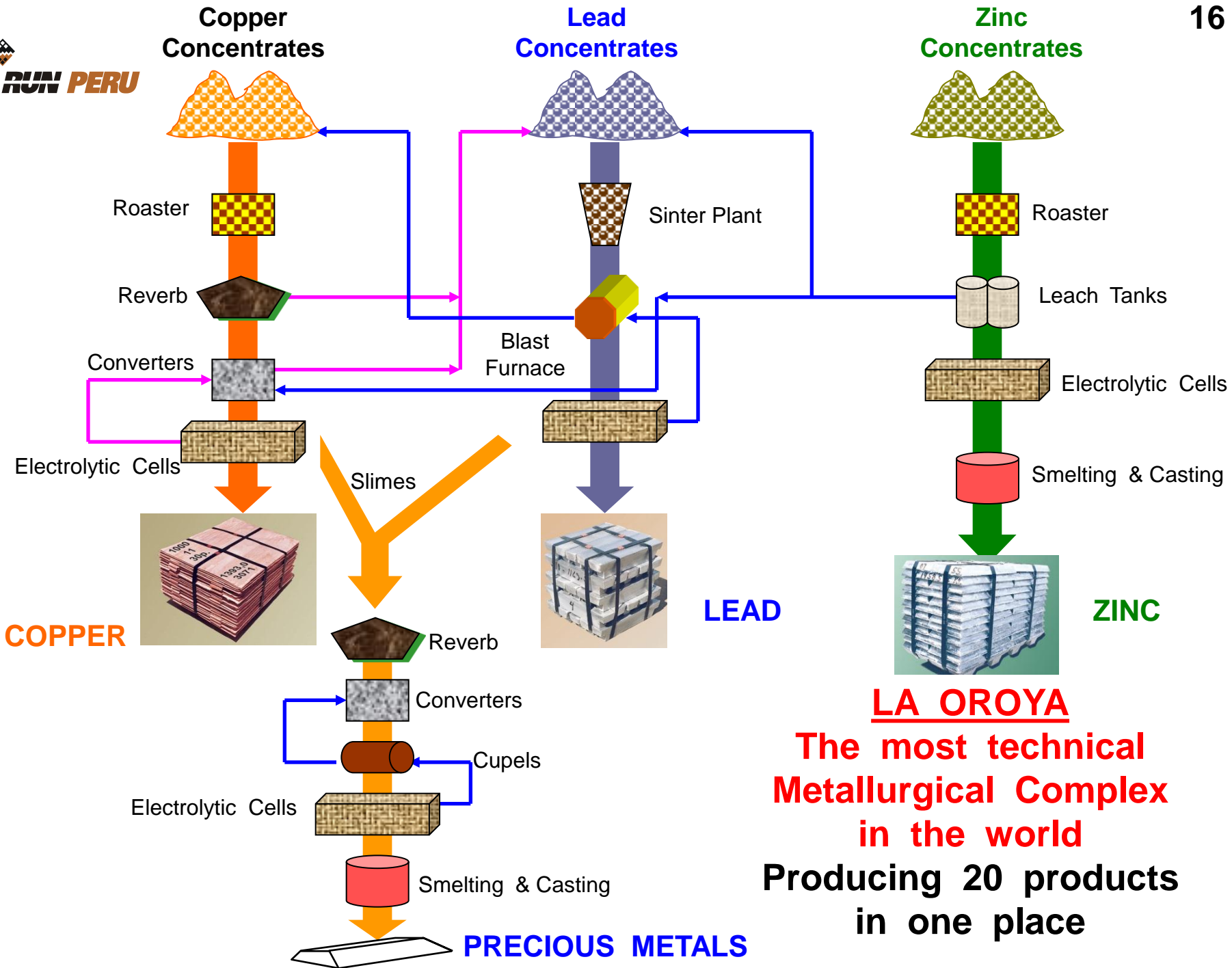


- | <u>Metals</u> | <u>Byproducts</u> |
|---------------|-----------------------|
| 1. Zinc | 1. Zinc dust |
| 2. Lead | 2. Sulfuric Acid |
| 3. Copper | 3. Oleum |
| 4. Silver | 4. Arsenic trioxide |
| 5. Gold | 5. Copper sulfate |
| 6. Bismuth | 6. Zinc sulfate |
| 7. Cadmium | 7. Zn-Ag concentrates |
| 8. Indium | 8. Zinc oxide |
| 9. Tellurium | 9. Sodium bisulfite |
| 10. Antimony | |
| 11. Selenium | |

- Local and regional purchases
- Electric power
- Transport

- Payroll: 2,529
- Outsourcing: 542
- Yauli population: 50,000

Value Chain



LA OROYA
The most technical Metallurgical Complex in the world
Producing 20 products in one place

QUALITY OF OUR PRODUCTS



Refined Silver



Gold bullion



Refined Cadmium



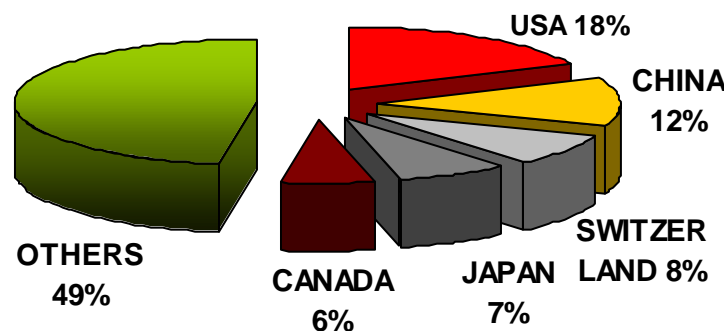
Refined Bismuth

<u>PRODUCT</u>	<u>(%)</u>
• Bismuth	99.9995
• Refined Lead	99.9972
• Refined Zinc	99.9957
• Refined Silver	99.9956
• Cadmium	99.9953
• Indium	99.9929
• Tellurium	99.9897
• Copper	99.978
• Selenium	99.9662
• Gold	99.8

EXPORTS

BY DESTINATION COUNTRY 2007

EXPORTS BY DESTINATION COUNTRY JANUARY-AUGUST 2007



PERU: EXPORTS BY DESTINATION COUNTRY JANUARY-AUGUST 2007/06 (FOB US\$ MILLIONS)

DESTINATION COUNTRY	2007	2006	Var % 07/06
1 USA	3,158.31	3,673.47	(14.02)
2 CHINA	2,086.48	1,444.57	44.44
3 SWITZERLAND	1,417.19	1,063.45	33.26
4 JAPAN	1,274.18	726.41	75.41
5 CANADA	1,046.60	1,068.24	(2.03)
OTHERS	8,138.48	6,838.09	19.02
TOTAL	17,121.24	14,814.23	15.57

Source: SUNAT. Prepared by: COMEXPERU.

**TOTAL EXPORTS BY ECONOMIC SECTOR
JANUARY-AUGUST 2007/06 (FOB US\$ MILLIONS)**

SECTOR	2007	2006	Var%
TOTAL	17,121.24	14,814.23	15.57
PRIMARY	13,199.01	11,502.26	14.75
Mining	10,466.74	8,961.77	16.79
Fishing	1,078.10	1,003.44	7.44
Oil and derivatives	1,423.24	1,268.69	12.18
Agriculture	230.93	268.36	(13.94)
MANUFACTURED PRODUCTS	3,922.23	3,311.97	18.43
Farming	868.70	715.89	21.35
Textile	1,031.22	948.33	8.74
Fishing	358.87	288.19	24.53
Chemical	509.14	382.61	33.07
Metal-mechanics	134.39	108.43	23.94
Sidero-metallurgical	555.30	441.86	25.67
Non-metallic mining	107.08	87.30	22.66
Arts & Crafts	1.10	1.02	7.73
Wood and paper	230.34	214.02	7.62
Fur and leather	27.37	23.40	16.97
Miscellaneous (inc Jewellery)	98.71	100.91	(2.18)

Source: SUNAT. Prepared by: COMEXPERU

Mining Exports

January-August

200/2006

(FOB US\$ thousands)

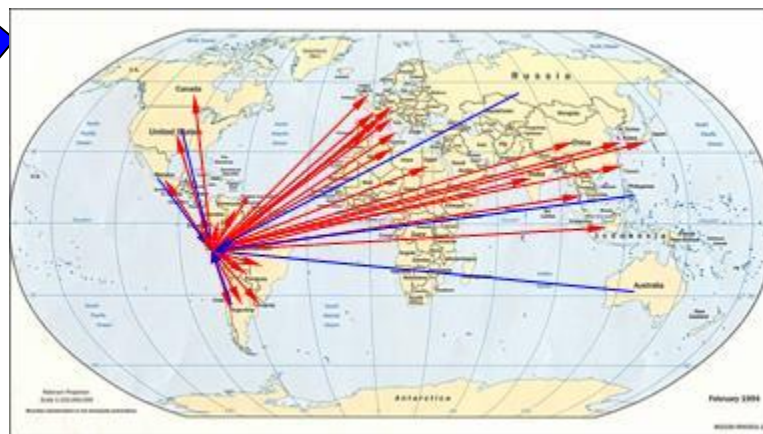
COMPANY	2007	2006	Var%
1 CÍA. MINERA ANTAMINA	1,927,565.62	1,753,069.76	9.95
2 SOUTHERN PERÚ COPPER CORP.	1,771,585.58	1,636,299.14	8.27
3 SOCIEDAD MIN. CERRO VERDE	954,185.31	276,497.70	245.10
4 DOE RUN PERÚ	821,995.98	637,108.37	29.02
5 MINERA BARRICK MISQUICHILCA	674,614.37	572,921.75	17.75
6 MINERA YANACocha	624,491.44	1,164,268.60	(46.36)
7 CONSORCIO MINERO CORMIN	384,700.85	219,292.58	75.43
8 XSTRATA TINTAYA	343,778.30	326,577.03	5.27
9 PROCESADORA SUDAMERICANA	296,299.53	226,913.47	30.58
10 EMPRESA MINERA LOS QUENUALES	253,295.63	195,551.55	29.53
11 VOLCAN CÍA. MINERA	220,010.14	124,113.70	77.26
12 AYS	218,574.87	121,399.03	80.05
13 BHL PERÚ	216,669.87	107,582.71	101.40
14 SHOUGANG HIERRO PERU	180,941.35	173,130.53	4.51
15 CIA. DE MINAS BUENAVENTURA	128,897.15	97,136.61	32.70
:			
:			
SUB TOTAL	10,412,346.60	8,928,034.15	16.63
TOTAL	10,466,738.15	8,961,768.99	16.79

Source: SUNAT. Prepared by: COMEXPERU

DOE RUN PERU – LA OROYA WORLDWIDE MARKETS



DOE RUN PERU



NORTH AMERICA

(34.7%)

Canada
USA

CENTRAL AND SOUTH AMERICA

(22.1%)

México
Panama
Trinidad y Tobago
Colombia
Venezuela
Ecuador
Chile
Brazil
Bolivia
Paraguay
Uruguay
Argentina

EUROPE

(16.5%)

England
Spain
Italy
Germany
Netherlands
Belgium
Switzerland
France

ASIA

(15.6%)

China
Japan
South Korea
Taiwan
Hong Kong
Malaysia
Arab Emirates
India

PERU
(11.0%)

AFRICA
(0.2%)

Egypt
Tunisia

BISMUTH: WORLD MINE AND REFINERY PRODUCTION BY COUNTRY (MT)

No.	Country	Mine					Refinery				
		2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
1.	China	2,000	2,500	3,000	3,000	3,000	3,000	5,000	11,700	8,500	8,500
2.	Mexico	1,126	1,064	1,064	970	1,180	1,126	1,064	1,064	970	1,180
3.	Peru*	1,000	1,000	1,000	952	950	568	600	600	600	600
4.	Canada*	189	145	185	185	190	250	250	250	250	250
5.	Kazakhstan	161	150	150	140	140	130	130	130	120	115
6.	Bolivia	20	72	62	44	70	88	51	32		3
7.	Russia	50	50	50	50	55	10	10	10	10	11
8.	Bulgaria	40	40	40	40	40	40	40	35	35	35
9.	Romania	40	40	40	40	40	35	35	35	35	30
10.	Serbia & Montenegro	2	1								
11.	Belgium						1,000	1,000	800	800	800
12.	Italy						5	5	5	5	5
13.	Japan						474	513	522	463	510
Total		4,600	5,100	5,600	5,400	5,700	6,700	8,700	15,000	12,000	12,000

* Production 2006: Preliminary

Source: USGS 2006 Minerals Yearbook - Bismuth, Sept 2006

INDIUM: ESTIMATED WORLD REFINERY PRODUCTION BY COUNTRY (MT)

No.	Country	MINE PRODUCTION					
		2001	2002	2003	2004	2005	2006*
1.	China	190	160	180	200	300	300
2.	Japan	55	60	70	70	70	55
3.	Canada	45	45	50	50	50	50
4.	Belgium	40	40	30	30	30	30
5.	Russia	15	15	15	15	15	15
6.	France	65	65	10	10	10	10
7.	Germany	10	10	10	10	10	---
8.	Peru	4	6	6	6	6	6
9.	Italy	5	5	5	5	5	
10.	Netherlands	5	5	5	5	5	
11.	United Kingdom	5	5	5	5	5	
World Total (rounded)		439	416	386	406	506	480

* Production 2006: Preliminary

Source: US Geological Survey, March 2007

3. OPERATIONS AND METALLURGICAL PROCESS AT LA OROYA METALLURGICAL COMPLEX, 2007

(Jose Bengoa)



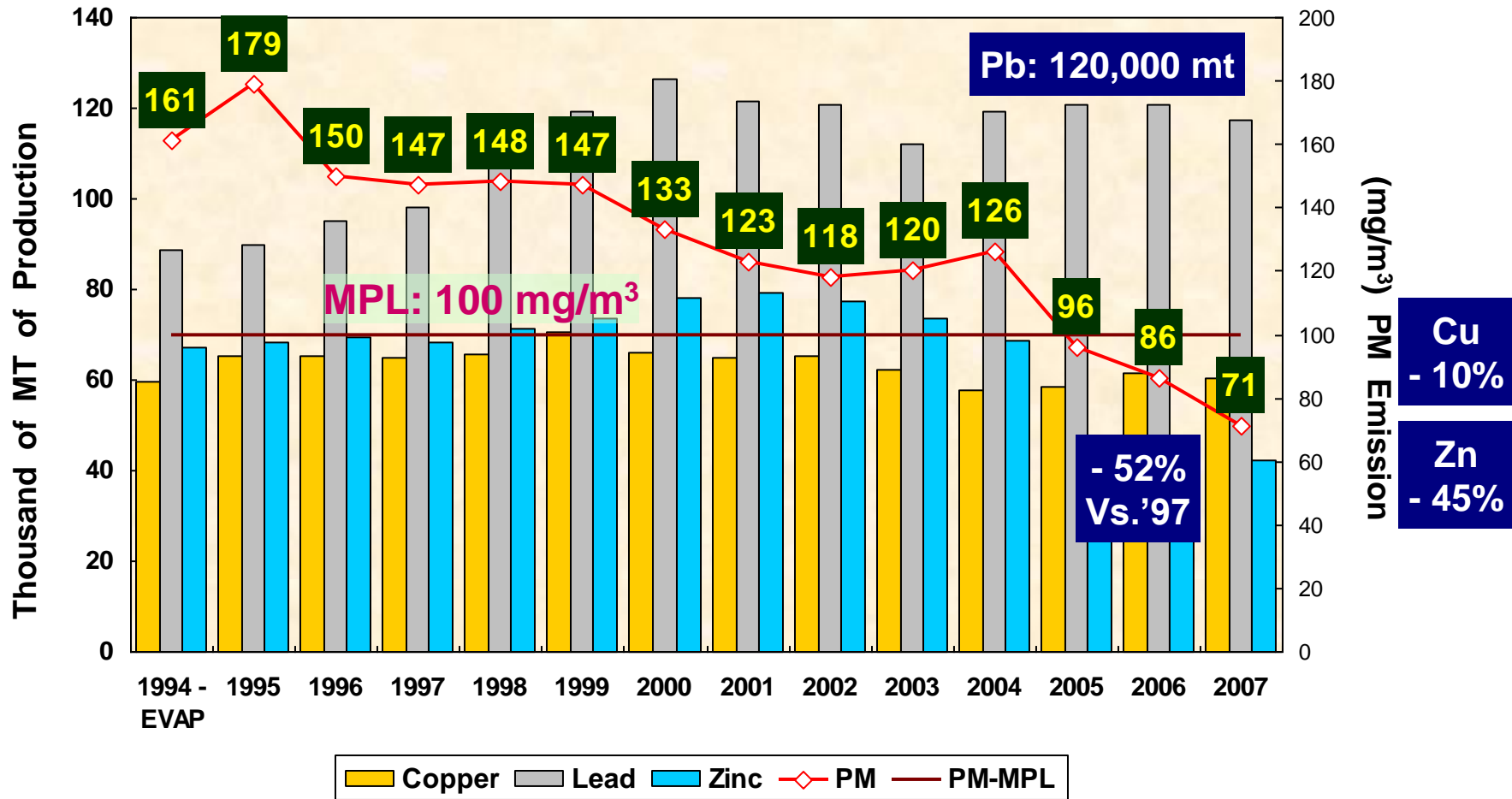
10 YEARS COMMITED WITH THE COUNTRY DEVELOPMENT

LA OROYA PRODUCTIONS

1998 - 2007

	FY 98	FY 99	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Copper, t	63,815	67,841	66,024	64,924	64,694	62,416	57,669	58,647	59,722	60,214
Lead, t	107,419	109,320	119,112	121,022	120,911	112,041	119,081	120,771	120,738	117,486
Zinc, t	71,384	73,565	78,258	79,400	77,427	73,596	68,763	45,584	41,868	42,125
Silver, t	862	1,016	1,080	1,074	1,068	1,099	1,114	1,057	1,144	1,115
Gold, t	1.9	2.2	2.9	2.6	2.9	2.6	2.1	2.1	2.3	2.2
Bismuth, t	868	700	729	683	569	820	1,014	949	1,066	1,110
Selenium, t	16	25	20	18	19	23	25	21	25	27
Tellurium, t	23	15	23	18	22	25	28	31	37	39
Antimony, t	346	255	419	347	314	607	535	707	810	638
Cadmium, t	113	133	160	170	170	203	169	149	84	29
Indium t	4.2	4.6	4.5	4.7	5.3	5.5	6.3	6.5	5.8	6.2
Zinc Dust, t	4,315	4,362	3,686	3,644	3,146	3,535	3,477	3,135	3,146	3,010
Copper Sulfate, t	2,703	2,684	2,917	1,924	2,287	2,573	3,078	3,274	3,717	3,699
Arsenic Trioxide, t	1,929	1,635	2,883	2,162	3,162	4,400	3,101	3,203	3,944	4,371
Zn/Ag Concentrates, t	3,363	3,313	2,730	2,928	2,713	3,666	4,101	2,711	1,586	2,027
Zinc Sulfate, t	1,204	734	1,168	1,318	2,717	3,275	3,802	2,790	2,559	1,665
Sulfuric Acid, t	39,746	42,774	42,690	47,394	43,497	43,703	43,183	46,348	52,196	58,072
Oleum, t	2,999	2,593	3,335	3,441	2,930	1,516	427	231	0	0

Cu, Pb & Zn PRODUCTION vs. DUST EMISSION (PM) THROUGH MAIN STACK 1994 – 2007*



* Fiscal Year 2007: Real

EVAP: Preliminary Environmental Assessment



CERTIFICATE

The TÜV CERT Certification Body
of TÜV Rheinland Industrie Service GmbH

certifies in accordance with
TÜV CERT procedures that

DOE RUN PERÚ S.R.L.
Horacio Zevallos Games 424
La Oroya
Yauli, Perú

has established and applies an environmental management system for

The La Oroya Metallurgical Complex processes and operations needed to produce copper, lead, zinc, silver and by-products, located in the Refinerias and Smelter areas. Includes maintenance, auxiliary services, internal railway transport, Cochabamba garbage landfill, slag, ferrites and arsenic trioxide disposition

An audit was performed, Report No. 052316.

Proof has been furnished that the requirements according to

ISO 14001:2004

are fulfilled.

The certificate is valid until 2009-07-18.

Certificate Registration No. 01 104 052316



Cologne, 2009-07-21



TÜV Rheinland Group

Rheinland
TÜV CERT Certification Body of
TÜV Rheinland Industrie Service
GmbH

www.tuv.com

ISO 14001:2004 CERTIFICATION



Certification date: July 21th, 2006
German Certifier: TÜV Rheinland Group
Validity: Until July 18th, 2009

ISO 14001 CERTIFICATION RE-AUDIT

1. TÜV Rheinland re-audited DRP on November 6-8, 2007, due to two non-conformities and 10 observations in the October 1-3, 2007 Follow-up Audit.
2. Nov. 8, 2007 (closing of audit): the auditor congratulated all DRP personnel involved for its professionalism throughout the process.
3. Nov. 17, 2007: TÜV Rheinland's Chief Auditor confirmed that DRP had complied with answering and remedying all observations. Therefore, recommended that it continue to be ISO 14001 certified (EMS).



Certification

Awarded to

DOE RUN PERÚ S.R.L.

N. HORACIO CEVALLOS GÁMES 424, LA OROYA.
AV. VÍCTOR ANDRÉS BELAÜNDE 147 - TORRE REAL 3 PISO 9, SAN ISIDRO.
AV. NÉSTOR GAMBETTA 358, CALLAO.

BVQI certify that the Management System of the above organization has been audited and found to be in accordance with the requirements of the management system standards detailed below

Standards

ISO 9001:2000

Scope of supply

PROCESOS DE REFINACIÓN Y COMERCIALIZACIÓN DE PRODUCTOS: ZINC, PLOMO, COBRE, PLATA, ORO, BISMUTO, INDIO, TELURO, SELENIO Y SUBPRODUCTOS: SULFATO DE COBRE, SULFATO DE ZINC, CONCENTRADO DE ZINC-PLATA.

Original Approval Date : 19th August, 2005

Subject to the continued satisfactory operation of the organization's Management System, this certificate is valid until : 19th July, 2008

To check this certificate validity please call (51-1-422 9000). Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization.

Date : 19th August, 2005

Certificate Number : 177104



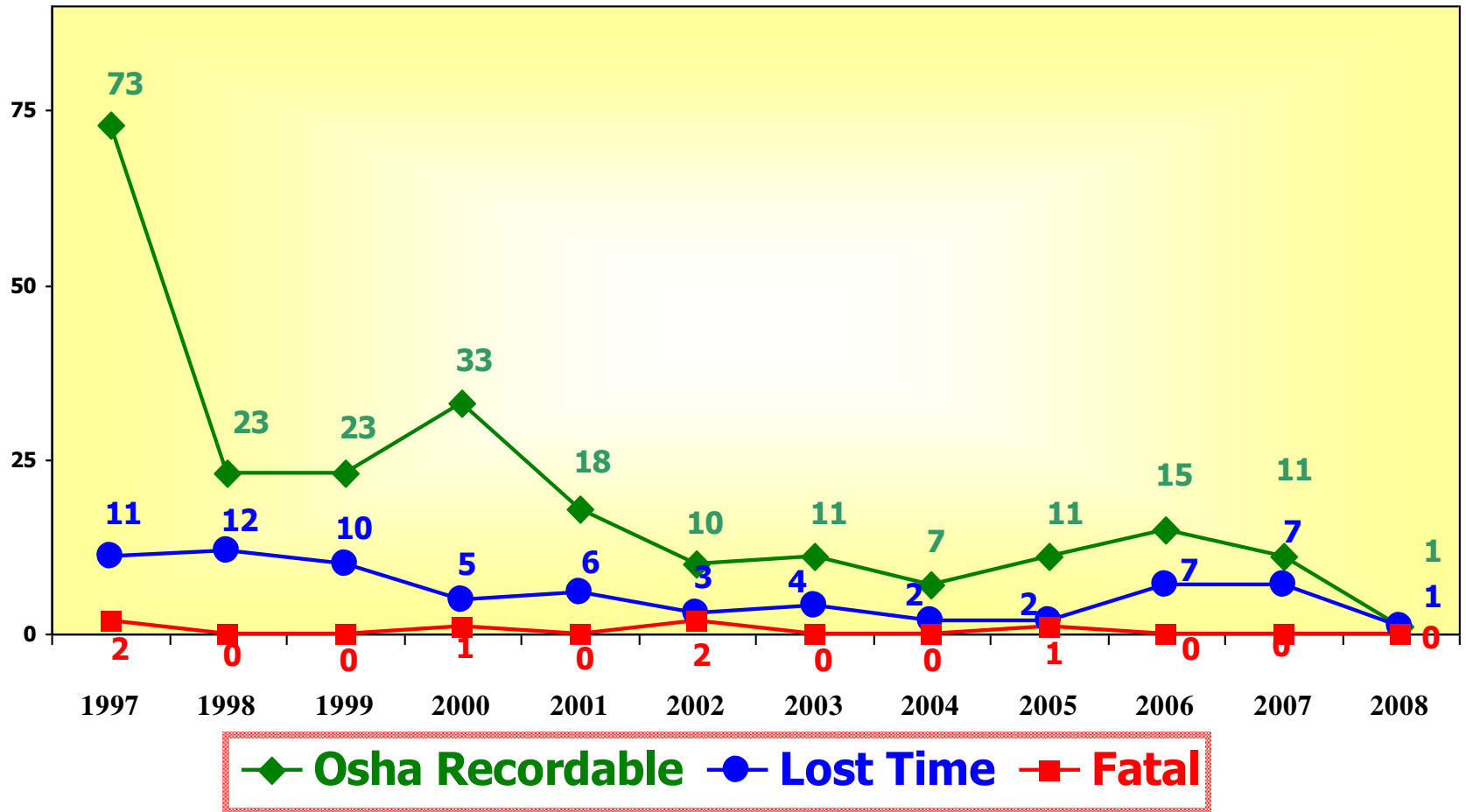
MANAGING OFFICE:
BVQI de Brasil Sociedade Certificadora Ltda.
Praça Pio X, 17, 8 andar, Centro 20041-020 - Rio de Janeiro/RJ, Brasil

ISSUING OFFICE:
Business Vantage Quality International - Peru
Av. Cañeros Real 590 - Torre Central del Centro Comercial Cañeros Real - Piso 11 - Lima 21, Peru

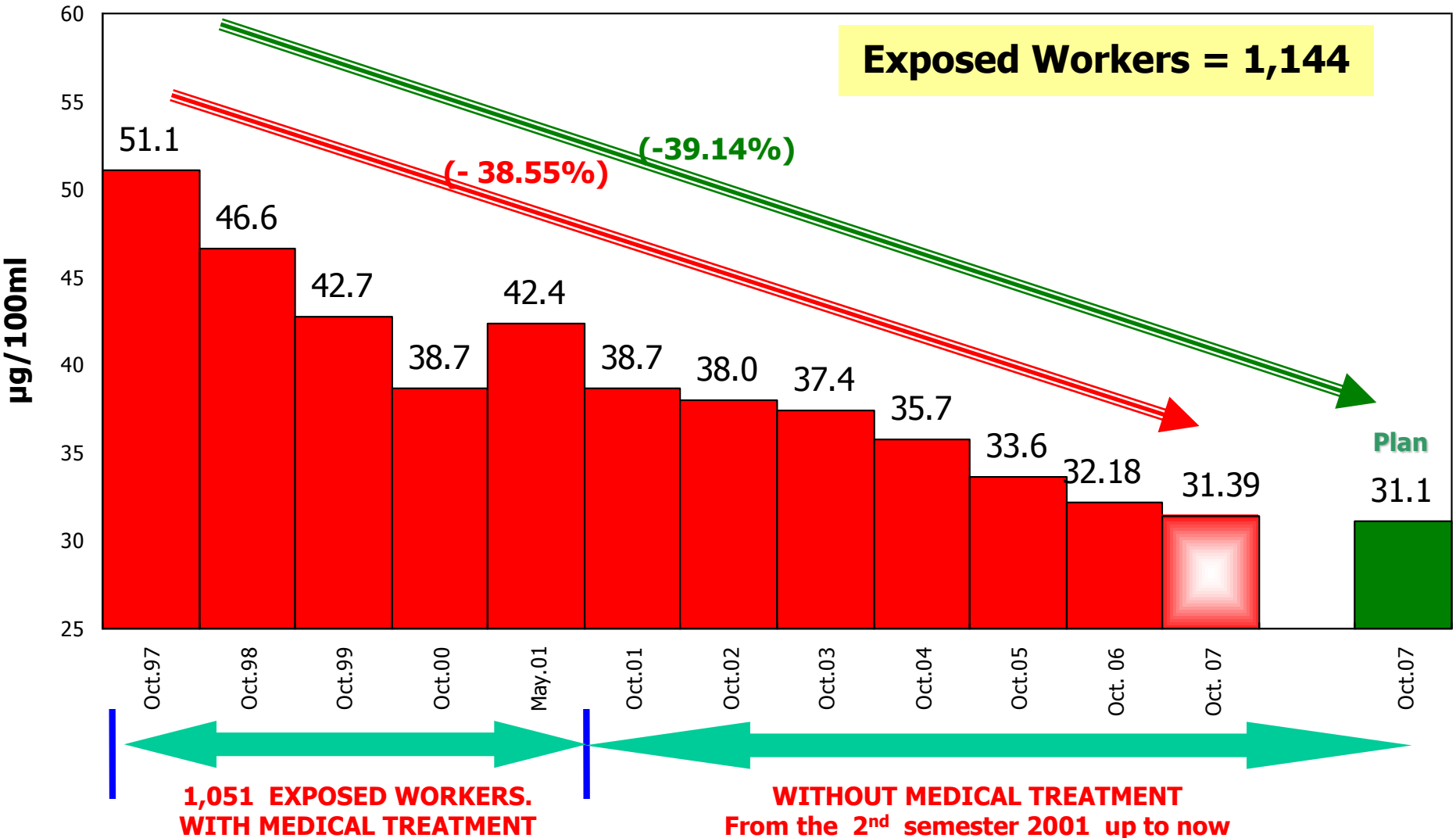


Quality Management System
DOE RUN PERU

SAFETY PERFORMANCE STATISTICS IN LA OROYA

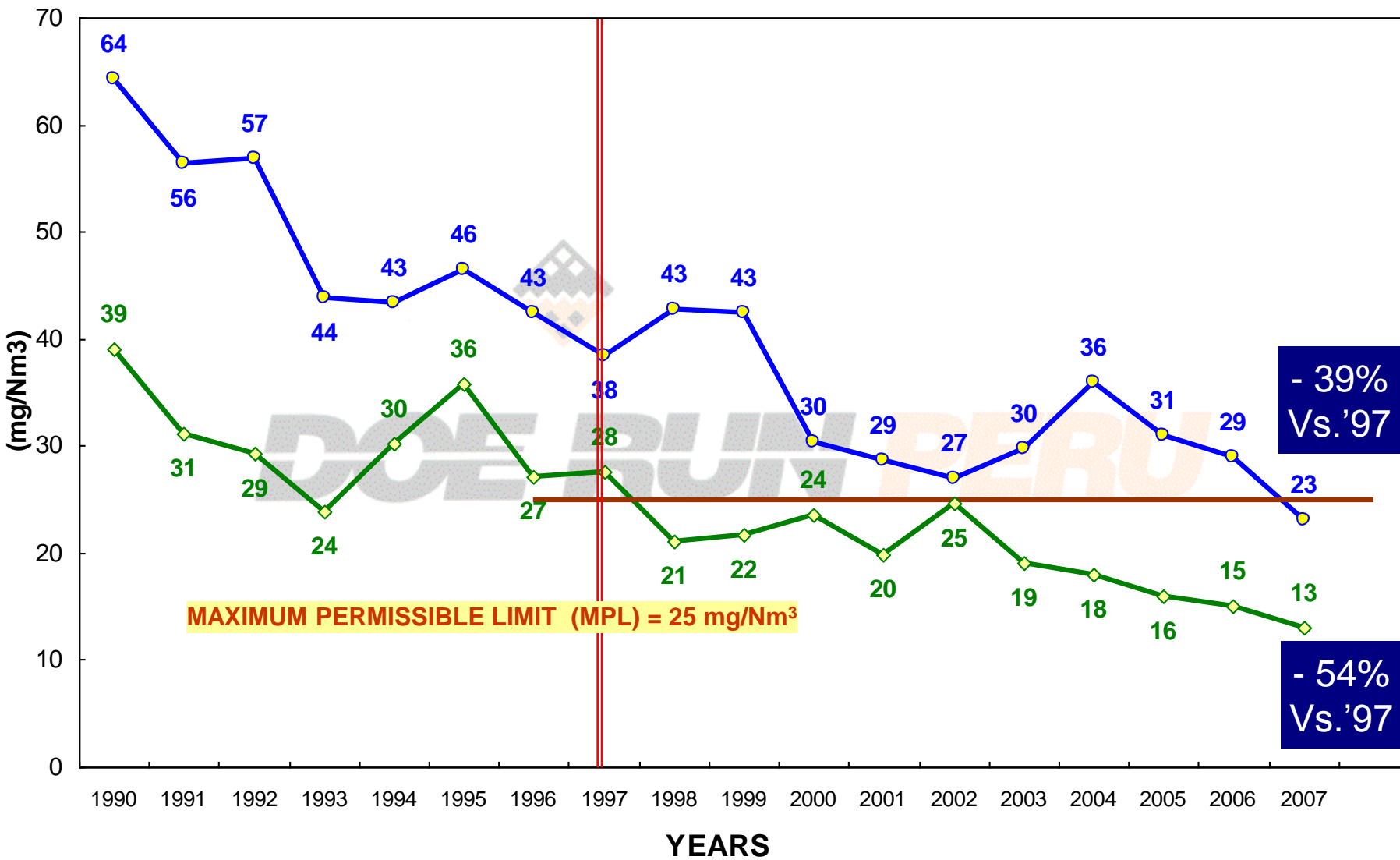


BLOOD LEAD LEVEL REDUCTION IN EXPOSED WORKERS, 1997 – 2007



ARSENIC AND LEAD EMISSIONS THROUGH THE MAIN STACK (mg/Nm³), 1990 TO OCTOBER 2007

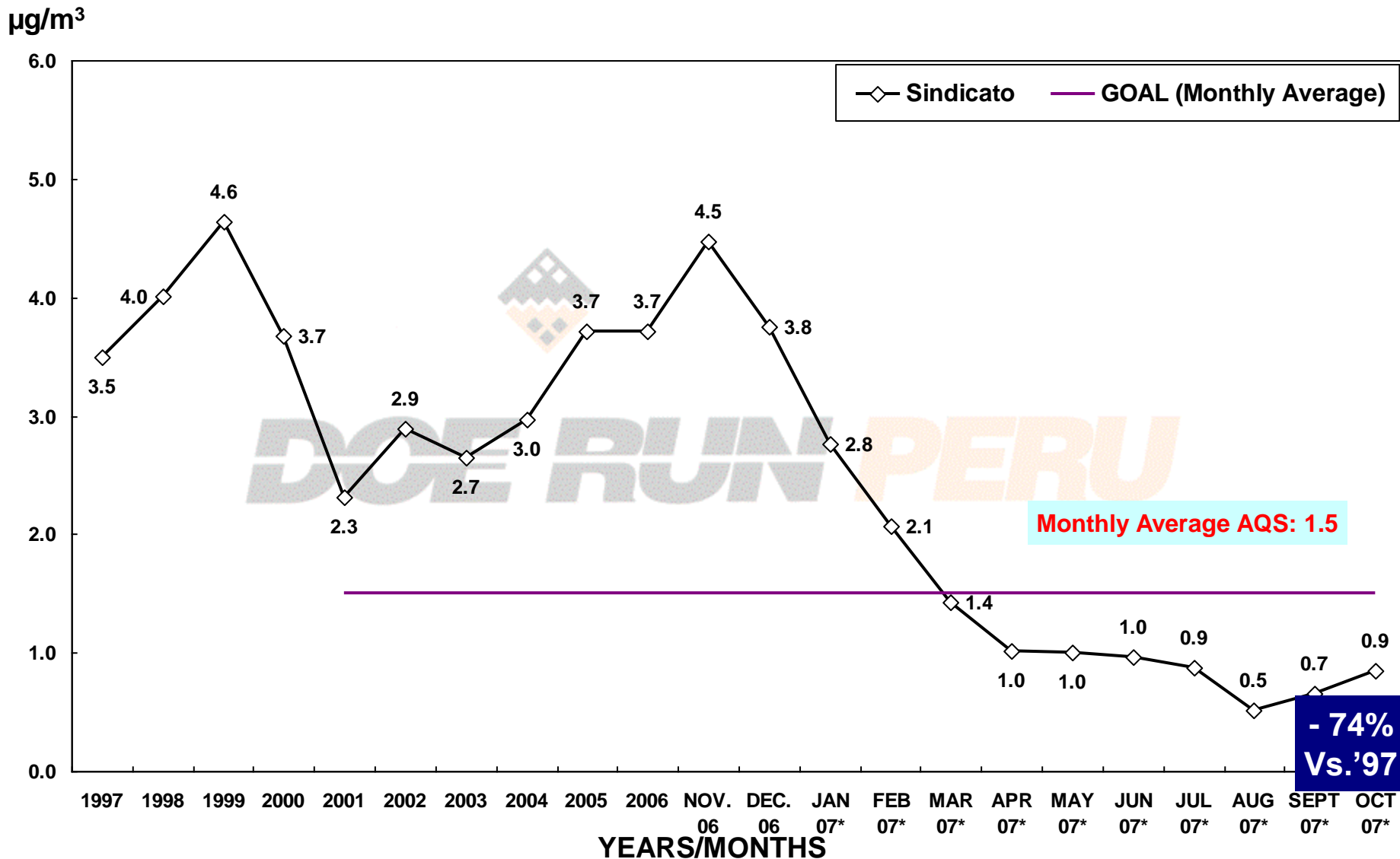
32



◆ Arsenic (As) ● Lead (Pb) — As, Pb MPL

TREND IN LEAD CONTENT IN AIR QUALITY ($\mu\text{g}/\text{m}^3$) SINDICATO STATION FY 1997 – OCT, 2007

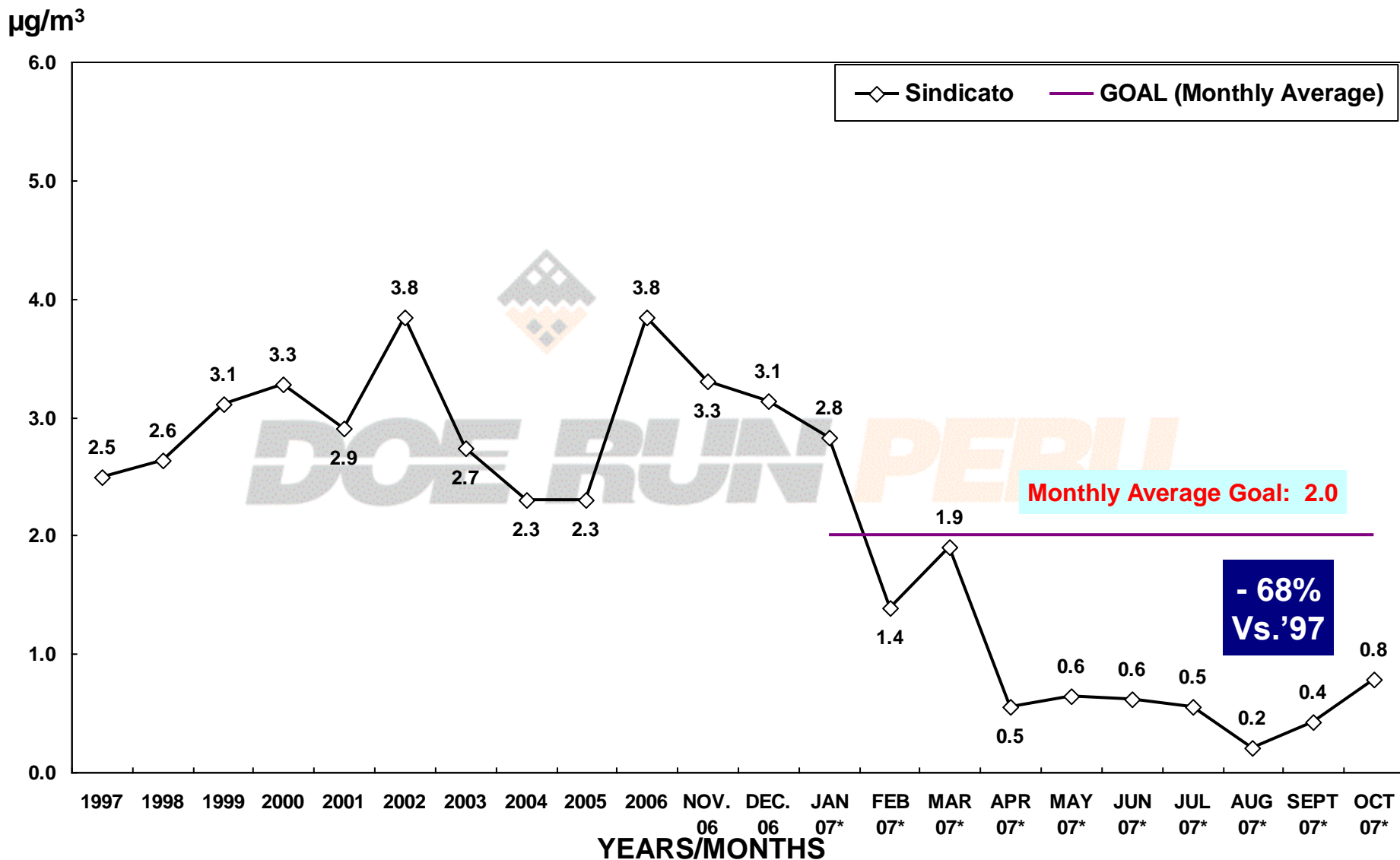
33



* Official value reported to MEM, OSINERGMIN and DIGESA – Analytical Results by Inspectorate Peru

TREND IN ARSENIC CONTENT IN AIR QUALITY ($\mu\text{g}/\text{m}^3$) SINDICATO STATION FY 1997 – OCT, 2007

34

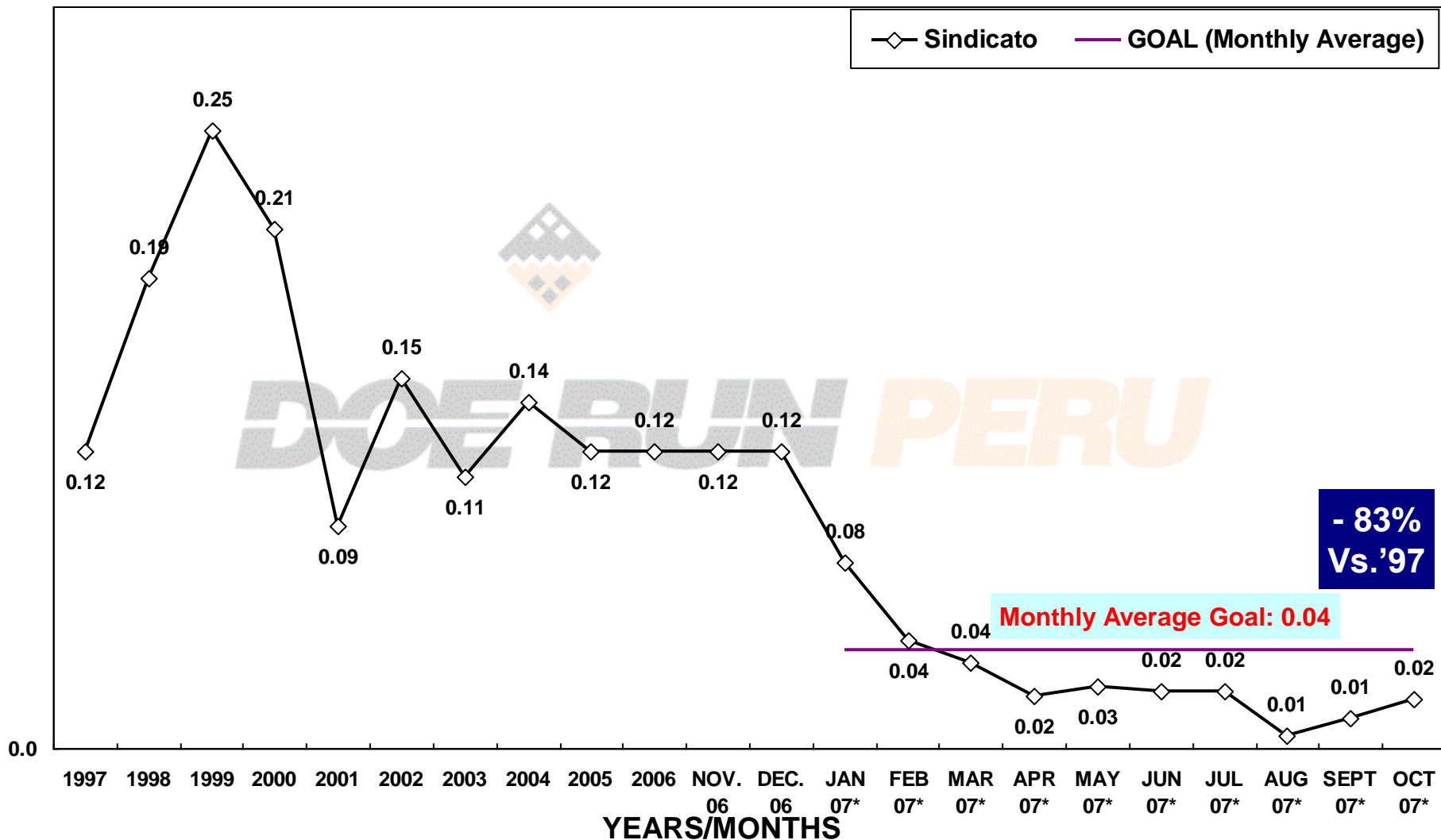


* Official value reported to MEM, OSINERGMIN and DIGESA – Analytical Results by Inspectorate Peru

TREND IN CADMIUM CONTENT IN AIR QUALITY ($\mu\text{g}/\text{m}^3$) SINDICATO STATION FY 1997 – OCT, 2007

35

$\mu\text{g}/\text{m}^3$

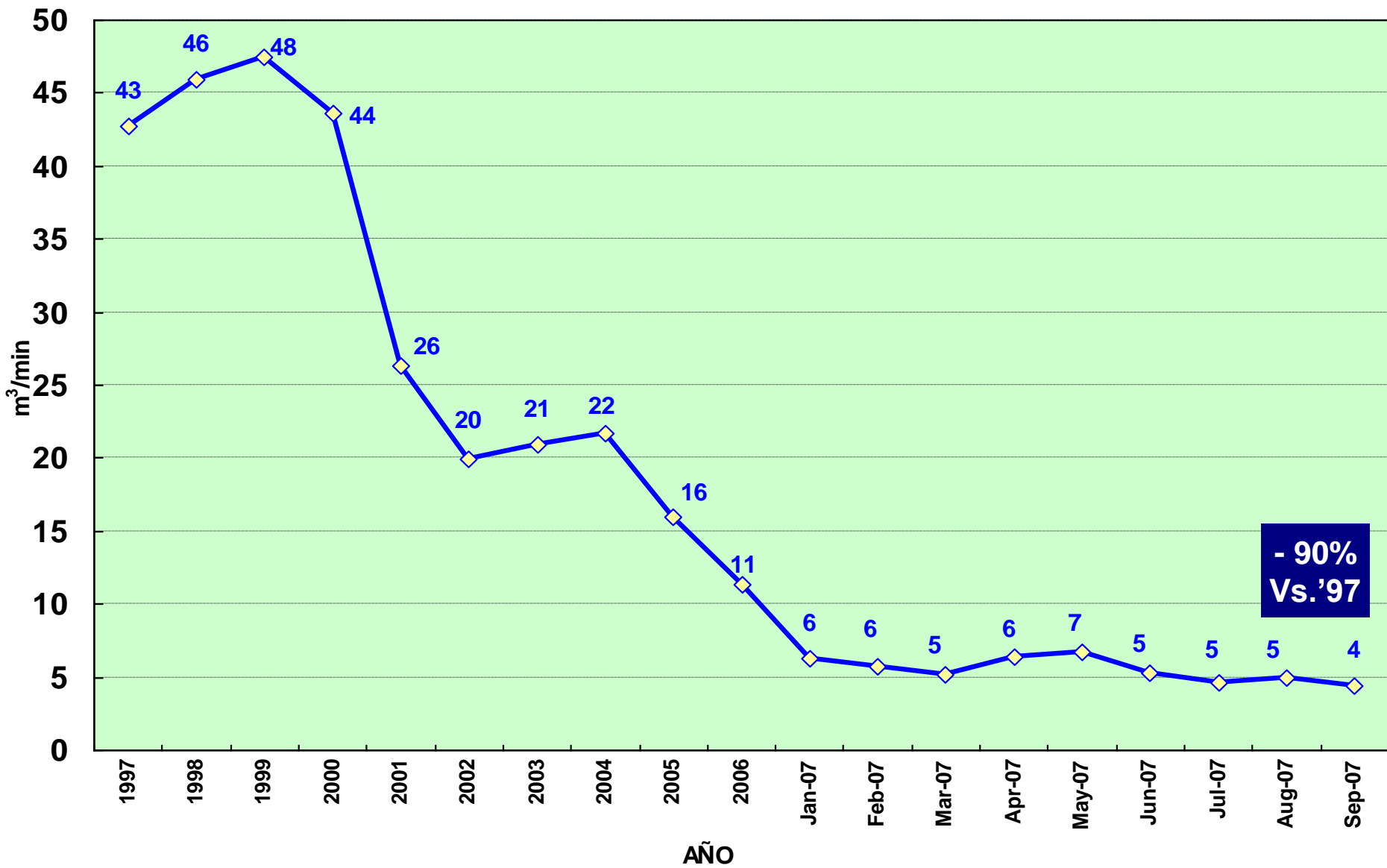


**- 83%
Vs. '97**

Monthly Average Goal: 0.04

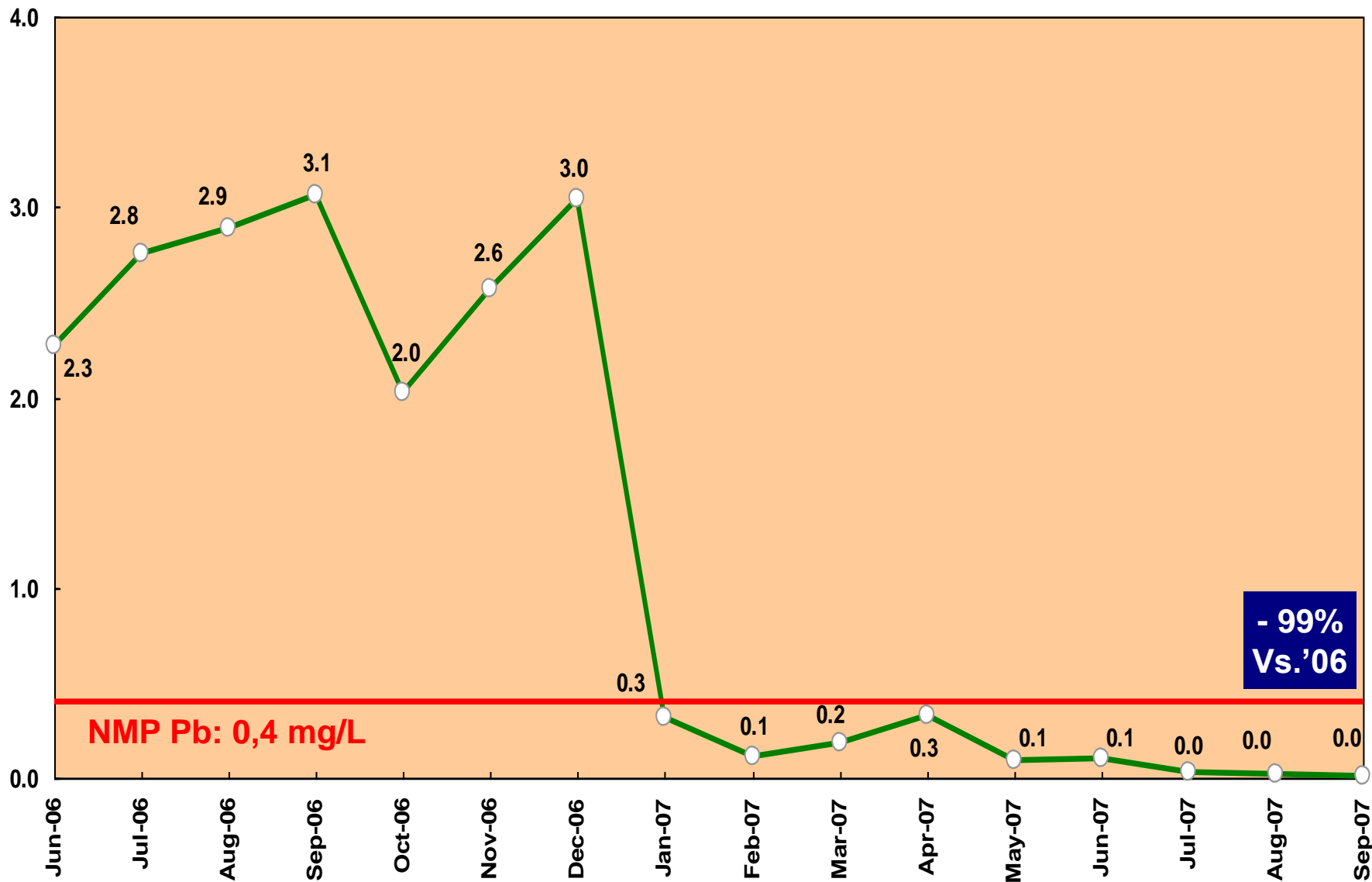
* Official value reported to MEM, OSINERGMIN and DIGESA – Analytical Results by Inspectorate Peru

INDUSTRIALS EFFLUENTS DISCHARGED INTO MANTARO RIVER 1997 - 2007

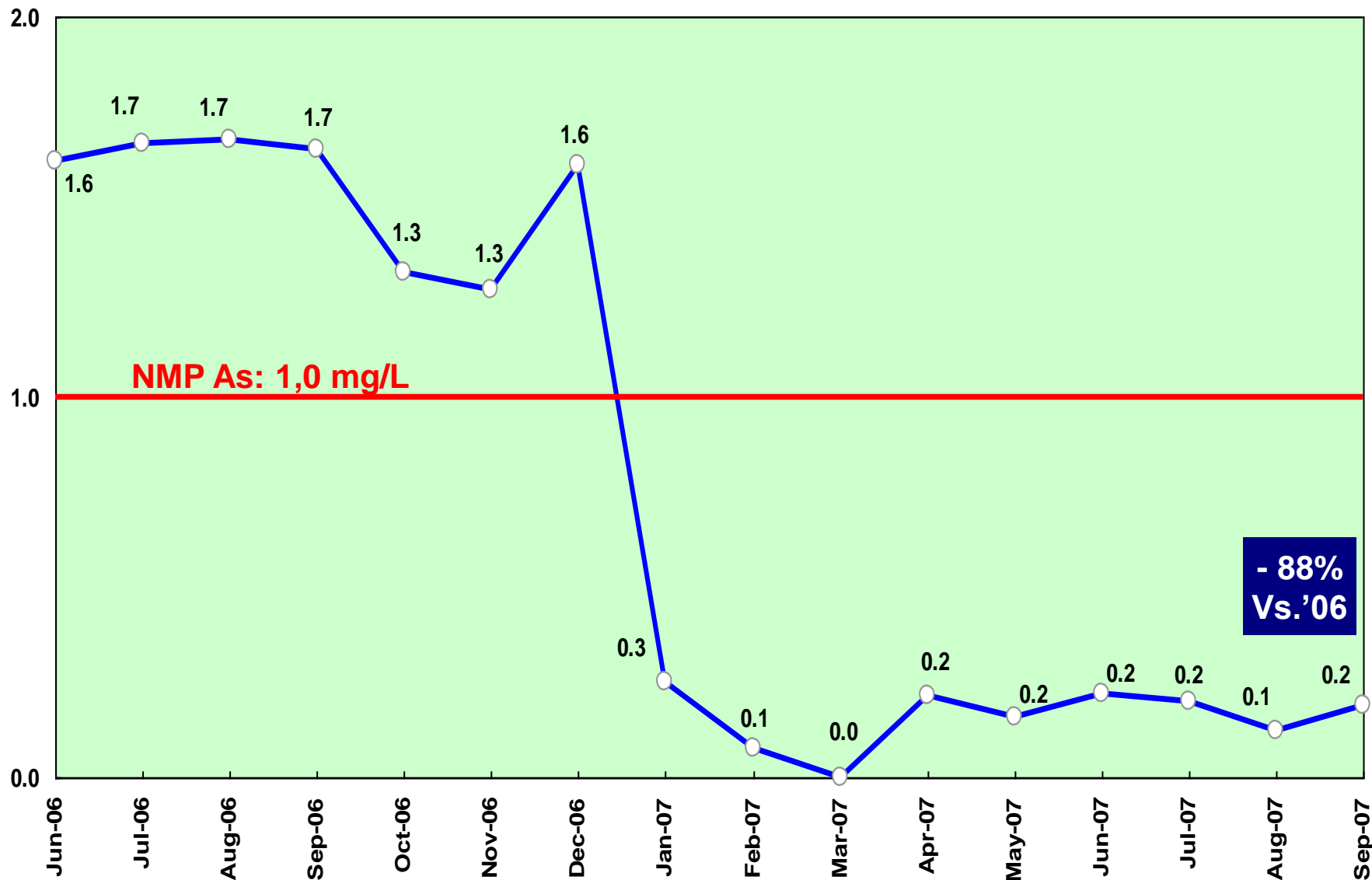


INDUSTRIALS EFFLUENTS DISCHARGED INTO MANTARO RIVER

Pb dissolved (mg/L)



INDUSTRIALS EFFLUENTS DISCHARGED INTO MANTARO RIVER As dissolved (mg/L)



DISCHARGE AUTHORIZATIONS

	Place	USE	IT APPLIES FROM
Huaymanta Sewage discharge	Huaymanta	02 years	March 02, 2007
Chulec Sewage discharge	Chulec	02 years	March 02, 2007
Smelter Sewage discharge	Smelter	02 years	March 02, 2007
Discharge "CERO"	Copper & Lead Refineries	02 years	July 13, 2007
Agua Potable	Potable Water Treatment System	02 years	October 25, 2006

DISCHARGE AUTHORIZATIONS IN PROGRESS

- Cu&Pb Refineries refrigeration water discharge
- Power House refrigeration water discharge

DIGESA already made the inspection in November 23 and 24, 2007

SMELTER OPERATION LICENSE



MUNICIPALIDAD PROVINCIAL DE YAULI - LA OROYA

Departamento de Comercialización

AUTORIZACION N° 029-00-ACC/MPYO. * * * * *
AUT. SECTORIAL N° 133-93-EM-DGM. * * * * *
EXPEDIENTE N° 3470-99. * * * * *
RESOLUCIÓN N° 092-00-DAR/MPYO. * * * * *
R.U.C. N° 20376303811. * * * * *



Serie: N° 000190 -01

CERTIFICADO DE AUTORIZACIÓN MUNICIPAL DE FUNCIONAMIENTO COMERCIAL, INDUSTRIAL DE SERVICIOS Y ACTIVIDADES PROFESIONALES

APERTURA

ACTUALIZACION

Duplicado

DUPLICADO. * * * * *

Habiendo cumplido con los requisitos establecidos para obtener la Autorización Municipal de Funcionamiento de conformidad al inciso 3.6 - 3 del Art. 83° de la Ley N° 27972- Ley Orgánica de Municipalidades - Ley 27180 (Modif. D. Ley N° 776) Ordenanza Municipal N° 007-85-MPYO. Ordenanza Municipal N° 003-2004-CM-MPYO, otorgamos a:

Apellidos y Nombres o Razón Social: DOE RUN PERU S. R. L.

Ubicación del Establecimiento: AVENIDA. ALMIRANTE MIGUEL GRAU S/N - SECTOR HUAYMANTA

Giro(s) Autorizado(s): REFINERIA DE COBRE Y PLOMO Area Total: 20,722.26 M²

Categoría: INDUSTRIAL VIGENCIA: INDETERMINADA
La Oroya, 25 de SETIEMBRE del 2006

- NOTA: (a) Esta Autorización es intransferible, debe colocarse en un lugar visible, caso de omisión será sancionado.
(b) El cierre del establecimiento, cambio de ubicación, Cambio de Razón Social, Ampliación de Giro y Modificación de Área Comercial, debe comunicarse a la Municipalidad por escrito, bajo sanción de nulidad de la presente Autorización.
(c) No Autoriza el uso de la vía Pública.

CU & PB REFINERIES OPERATION LICENSE



MUNICIPALIDAD PROVINCIAL DE YAULI - LA OROYA

Departamento de Comercialización

AUTORIZACION N° 02B-00-ACC/MPYO. * * * * *
AUT. SECTORIAL N° 153-93-EM-001. * * * * *
EXPEDIENTE N° 3A69-99. * * * * *
RESOLUCIÓN N° 091-00-OAR/MPYO. * * * * *
R.U.C. N° 20376303811. * * * * *



Serie: N° 000191 -01

CERTIFICADO DE AUTORIZACION MUNICIPAL DE FUNCIONAMIENTO COMERCIAL, INDUSTRIAL DE SERVICIOS Y ACTIVIDADES PROFESIONALES

APERTURA ACTUALIZACION DUPLICADO. * * * * *

Habiendo cumplido con los requisitos establecidos para obtener la Autorización Municipal de Funcionamiento de conformidad al inciso 3.6 - 3 del Art. 83° de la Ley N° 27972- Ley Orgánica de Municipalidades - Ley 27180 (Modif. D. Ley N° 776) Ordenanza Municipal N° 007-85-MPYO. Ordenanza Municipal N° 003-2004-CM-MPYO, otorgamos a:

Apellidos y Nombres o Razón Social: DOE RUN PERU S. R. L. * * * * *

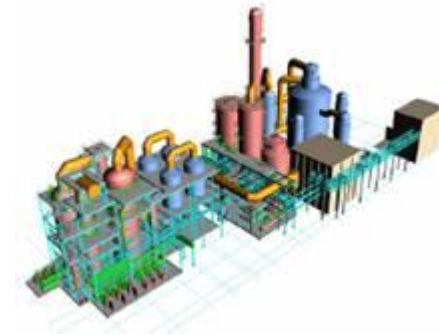
Ubicación del Establecimiento: CARRETERA CENTRAL Km 0,5 HUANCAYO. * * * * *

Giro(s) Autorizado(s): FUNDICION DE MINERALES. * * * * * Area Total: 97,867.21m2. * * * * *

Categoría: INDUSTRIAL. * * * * * HORARIO: La Oroya, 25 de SEPTIEMBRE del 2008

VIGENCIA: INDETERMINADA

- NOTA:** (a) Esta Autorización es intransferible, debe colocarse en un lugar visible, caso de omisión será sancionado.
(b) El cierre del establecimiento, cambio de ubicación, Cambio de Razón Social, Ampliación de Giro y Modificación de área Comercial, debe comunicarse a la Municipalidad por escrito, bajo sanción de nulidad de la presente Autorización.
(c) No Autoriza el uso de la vía Pública.



**4. UPDATE ON THE ENVIRONMENTAL
ADJUSTMENT AND MANAGEMENT
PROGRAM (PAMA) OCTOBER 24, 2007 TO
PRESENT**

(Mike Sankovitch)

ESTACIONES DE MONITOREO - 1999



INVERSION: US\$ 627 906

DEPOSITO DE ESCORIAS Y NUEVO SISTEMA DE CABLE CARRIL - 2001



INVERSION: US\$ 9 707 664

DEPOSITO DE TRIOXIDO DE ARSENICO - 2001



INVERSION: US\$ 2 419 615

DEPOSITO DE RESIDUOS SOLIDOS DOMESTICOS - 2001



INVERSION: US\$ 2 636 735

INVERSION: US\$ 3 085 389



PROYECTOS CONCLUIDOS

NUEVO DEPOSITO DE FERRITA - 2005



INVERSION: US\$ 2 103 995

REMEDIACION AMBIENTAL HUANCHAN - 2004

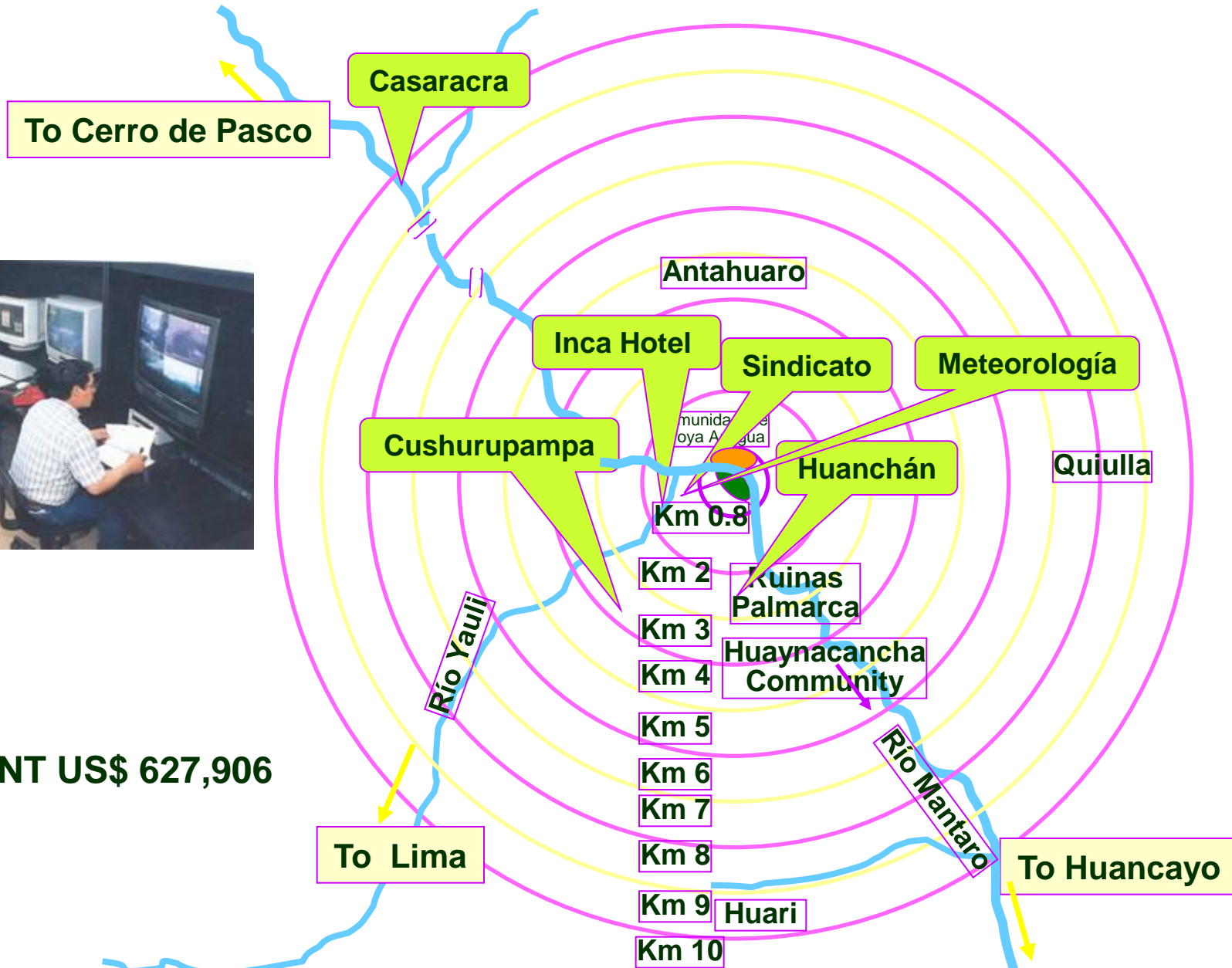


INVERSION: US\$ 1 090 845

CERO Efluente al Rio Yauli desde diciembre 2003

MONITER AIR QUALITY

44



INVESTMENT US\$ 627,906

IMPROVE DUST CAPTURE SYSTEM

MODERNIZATION OF THE COTTRELL CENTRAL



**Reduce particulate emission
from the stack**

INVESTMENT US\$ 1'690,000



SEWAGE TREATMENT PLANTS

HUAYMANTA



CHULEC



SMEILTER



STATUS:

- Huaymanta: Operation since March 21 2006. Capacity: 32 liters / sec
- Chúlec: Operation since June 21 2006. Capacity: 4 liters / sec
- Smelter: Operation since November 21 2006. Capacity: 8 liters / sec
- INVESTMENT : US\$ 7'300,000

INDUSTRIAL WASTE WATER TREATMENT PLANT (IWWTP)

47



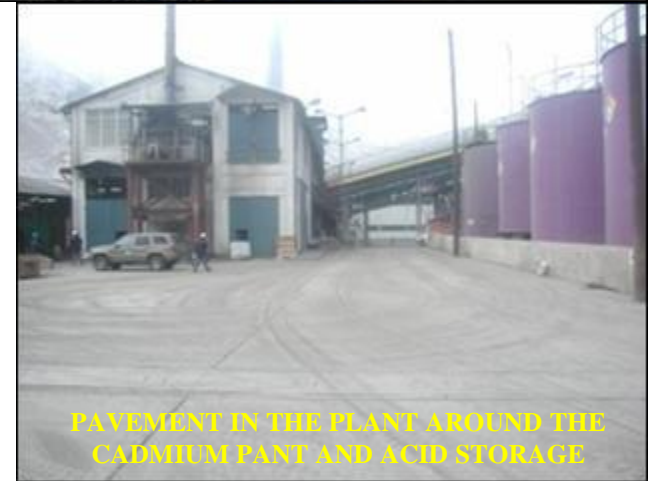
Operation since December 28, 2006, Investment \$38 Million



PAVEMENT ACCESS TO R&D & THE ZINC CIRCUIT UNDER CONSTRUCTION



PAVEMENT AROUND THE MAINTENANCE SHOPS



PAVEMENT IN THE PLANT AROUND THE CADMIUM PANT AND ACID STORAGE

Area paved: 59 000 m²
Investment: US\$ 2.4 MM

49



INVESTMENT: US\$ 723,130

TRUCK WASH

SWEEPER TRUCKS



INVESTMENT: US\$ 271,413

ZINC ACID PLANT UPGRADE

50

DRY TOWER



Acid Heat Exchangers



INVESTMENT:

Total : US \$ 5.0 MM

UPGRADE SCHEDULE:

Start : December 1, 2005

Completed: January 31, 2007

CAPACITY:

Past: 45,000 mt/y

New: 58,000 mt/y

EMISSION REDUCTION

51

EMISSIONS CONTROL



SCOPE: Reduce stack and fugitive emissions.

INVESTMENT: US\$ 19.7 MM

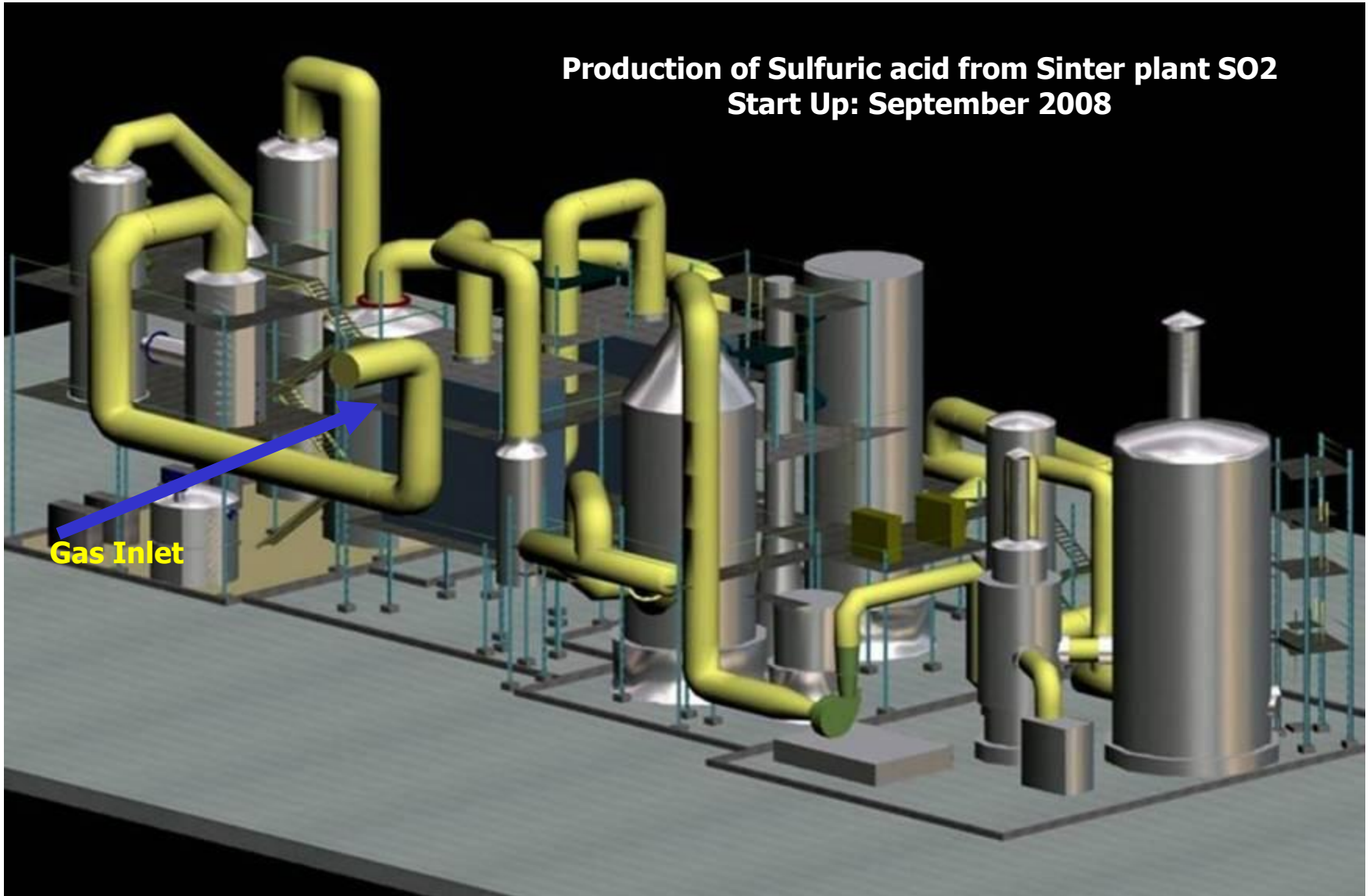
OPERATION SINCE: December 2006



LEAD SULFURIC ACID PLANT

52

**Production of Sulfuric acid from Sinter plant SO₂
Start Up: September 2008**



53

 Engineering:

FCII: Detailed Process Engineering of the Plant (**95% Advance**)

Others: Complementary engineering (**97% Advance**)

 Procurement:

FCII: RFQ equipments, evaluation of proposals.

GMI: POs, administration of POs, expediting, technical inspections, coordination of logistics.

 Construction:

Preliminary Works: 92% Advance (Bulk excavations, demolitions, belt conveyors relocation, access).

Civil Works: 89% Advance (Foundations)

 Budget:

It is currently coming under some cost pressure due to cost escalation. To date over 50% of contingency has been drawdown.

LAP site looking North



Civil works progress week of 16th Nov



LEAD ACID PLANT (LAP) KEY MILESTONES

Start of Project	July 06
Start of Detailed Engineering	August 06
Start of Procurement	March 07
Complete Detailed Engineering	November 07
Start construction works	July 07
Start Commissioning	August 08
Complete Commissioning and handover to operation	September 08

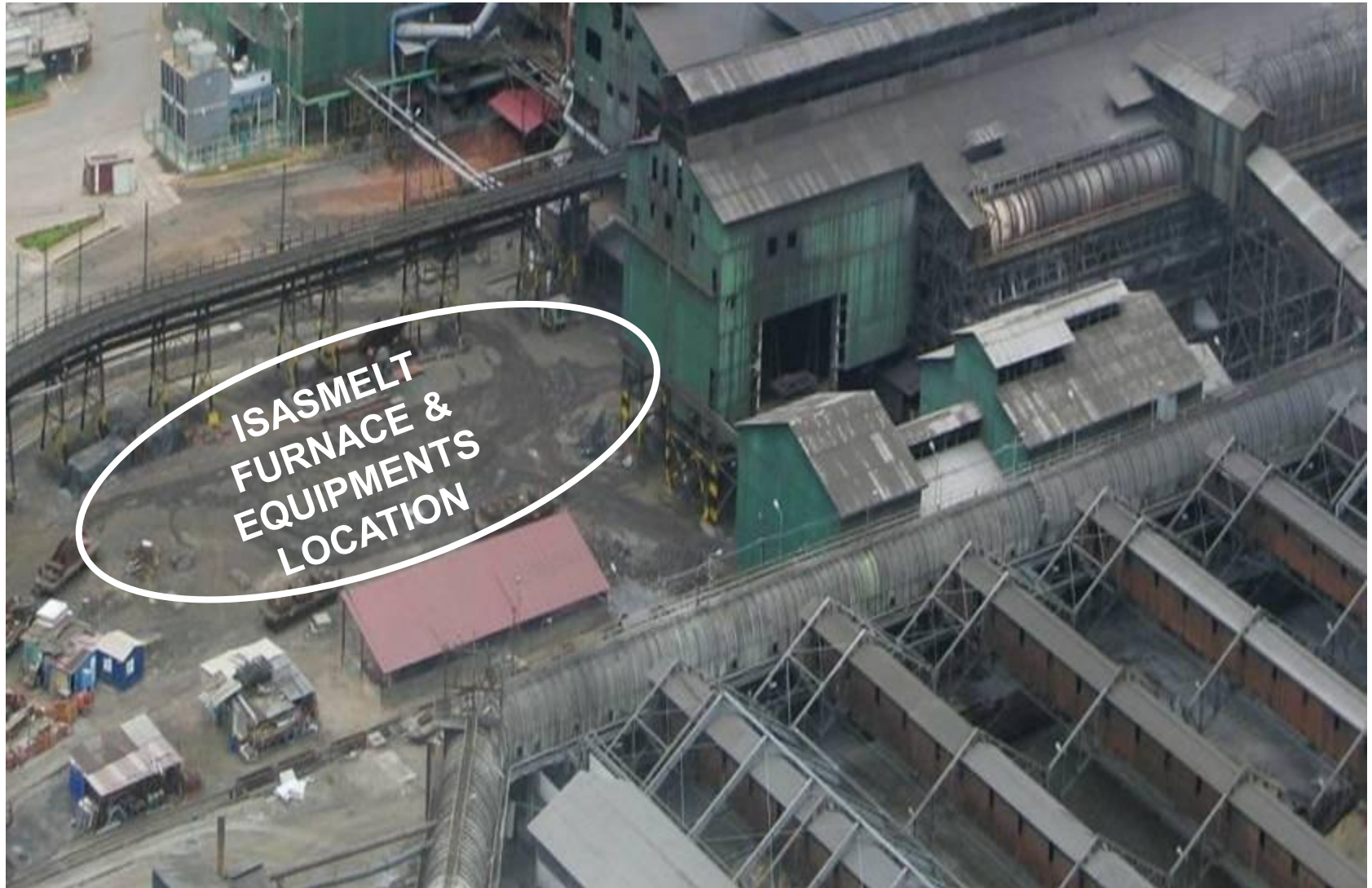
COPPER CHANGE PROJECT



**ISASMELT
FURNACE**

**Start Up: October 2009
Production: Up to 72,500 t, of refined copper.**

COPPER CHANGE LOCATION



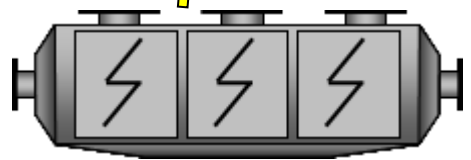
MAIN EQUIPMENT LOCATIONS



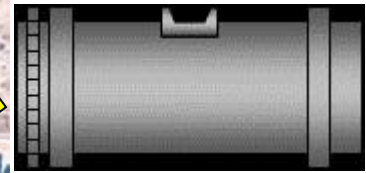
Isasmelt Furnace



Settling Furnace



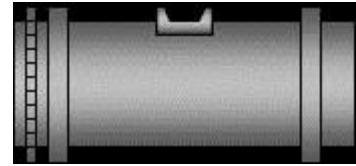
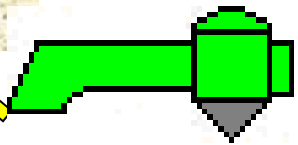
Dry Electrostatic Precipitator for Gases from ISA and PSC



Fire refining Furnace



Outokumpu Casting Wheel



Peirce-Smith Converter (PSC) with Handling Gases System

60

- October meeting in Chile between Xstrata, MIPAC, Oschatz, Coprim and Emerson in advancing Detail Engineering (overall 59% advance).
- PO's placed for critical items: DESP, Furnace Shell, ISA building steel and Feed Silos. ID fan quotations under evaluation.
- Xstrata boiler requires urgent expediting.
- Reverb Furnace changes involving the relocation of launders and matte tapping holes to begin phase # 1 of ISA building construction.

COPPER CHANGE KEY MILESTONES

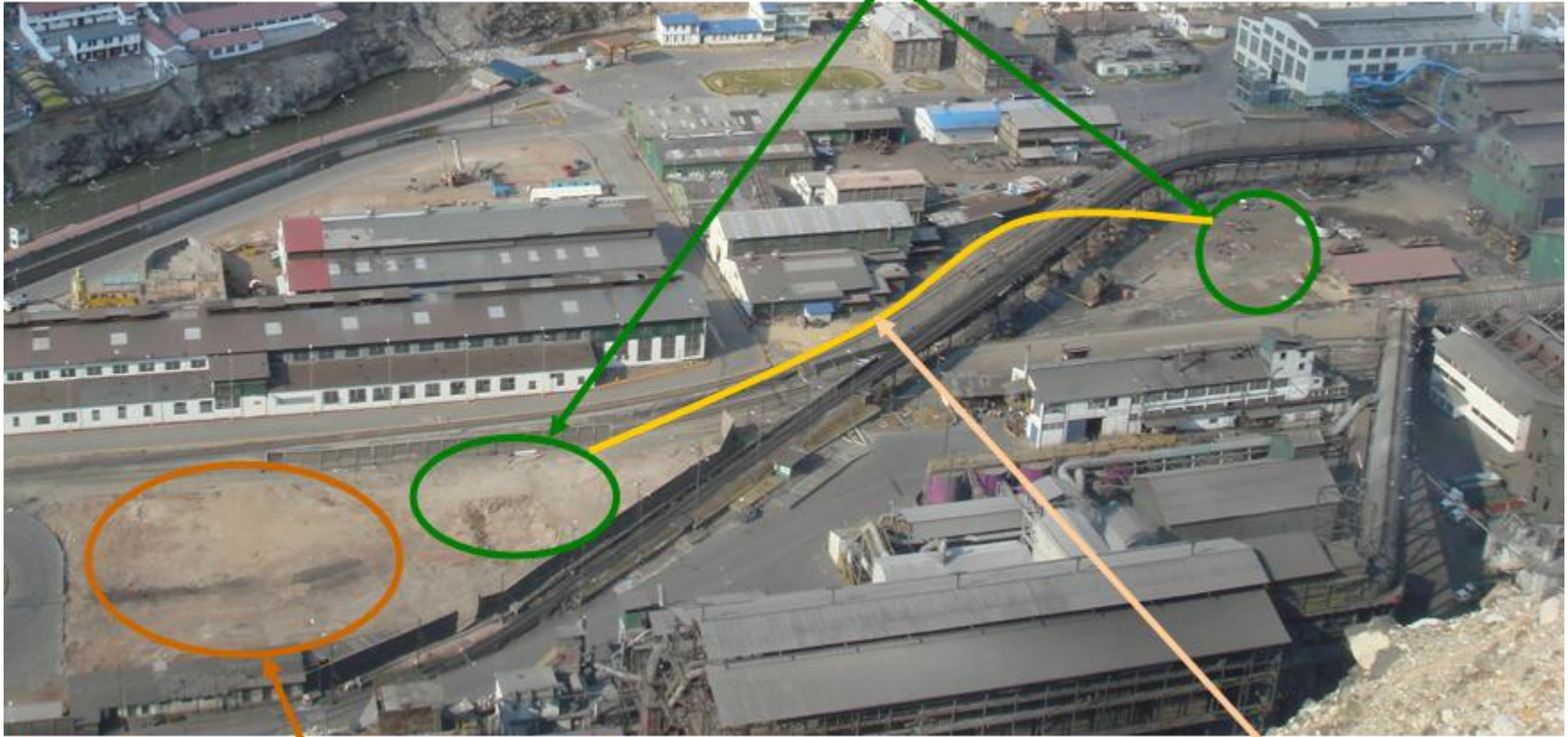
Start of Project	January 07
Start of Detailed Engineering	January 07
Start of Procurement	March 07
Complete Detailed Eng	July 08
Start construction works	December 07
Complete Wet Commissioning	July 09
Start Process Commissioning	August 09
Handover to Operation	October 09

Start Up: October 2009



COPPER ACID PLANT LOCATION

WET GAS CLEANING SECTION



GAS & CONTACT SECTION

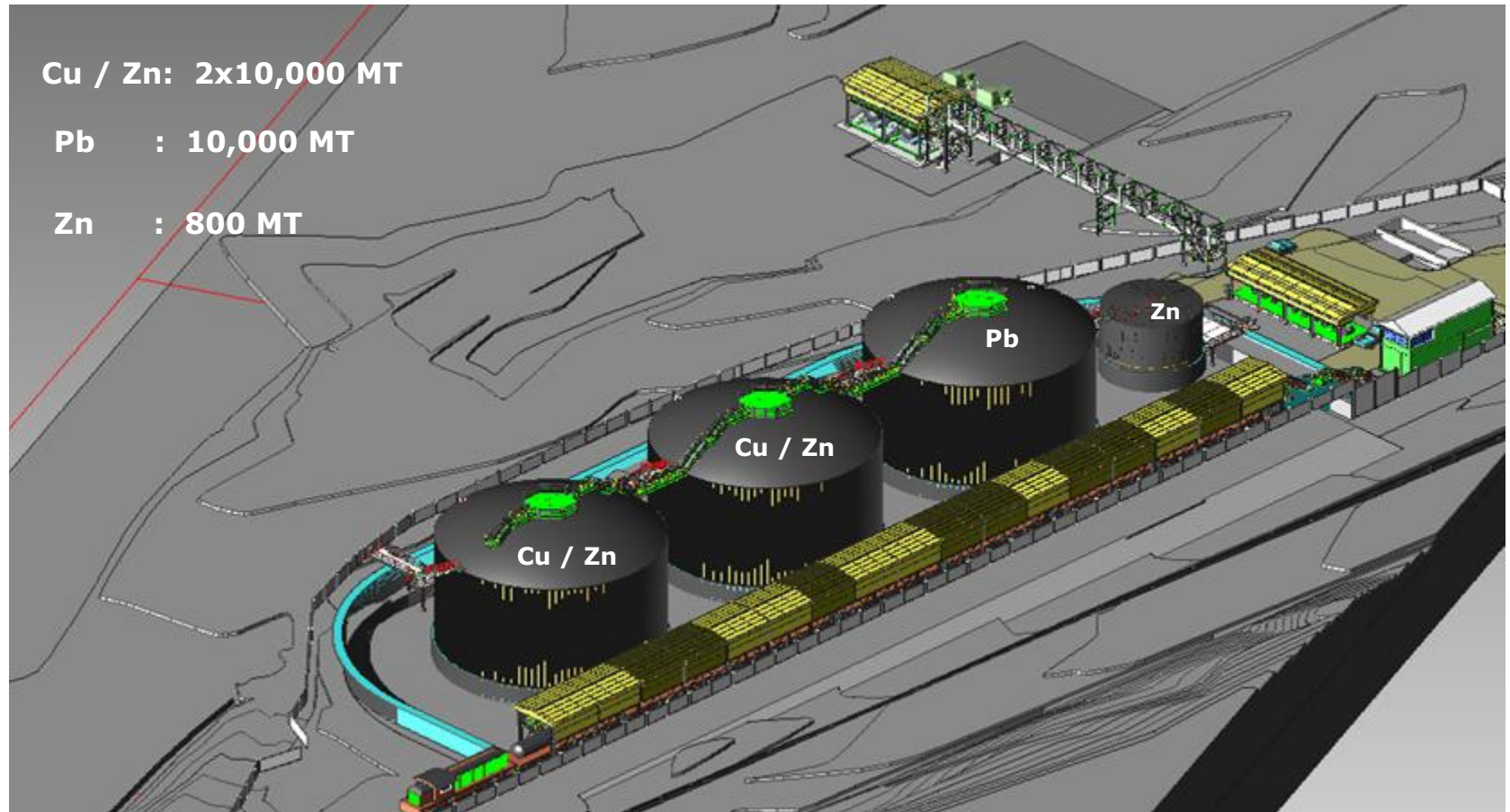
FRP GAS DUCT

64

- Detail engineering by Aker Kvaerner (Canada) and Fleck Chemical Industries Inc. (Canada) – overall 21% advance.
- Critical equipment deliveries are becoming an issue due to long delivery time.
- Critical PO's placed for main blower (14 months delivery) and heat exchangers.

COPPER ACID PLANT KEY MILESTONES

Start of Project	December 06
Complete negotiation with engineering consultant	June 07
Start of Detailed Engineering	July 07
Start of Procurement	December 07
Complete Detailed Eng	June 08
Start construction works	April 08
Complete Wet Commissioning	July 09
Start Process Commissioning	August 09
Handover to Operation	October 09



67
Earthworks and civil works progress

Acid Storage Progress



- ❑ Detail engineering by COPRIM completed.

- ❑ Civil and structural works contract was awarded to Cemprotech (US\$2.4M). Target completion date 22nd January 2008.

- ❑ Supply, fabricate and install contract for storage tanks awarded to HAUG (US\$3.23M). Target completion date 14th April 2008.

- ❑ Other procurement are in progress such as pumps and electrical equipments and materials.

ACID STORAGE KEY MILESTONES

Start of Project	August 07
Start of Detailed Engineering	November 07
Start of Procurement	August 07
Complete Detailed Eng	September 07
Start construction works	November 07
Start Commissioning	July 08
Complete Commissioning and handover to operation	September 08

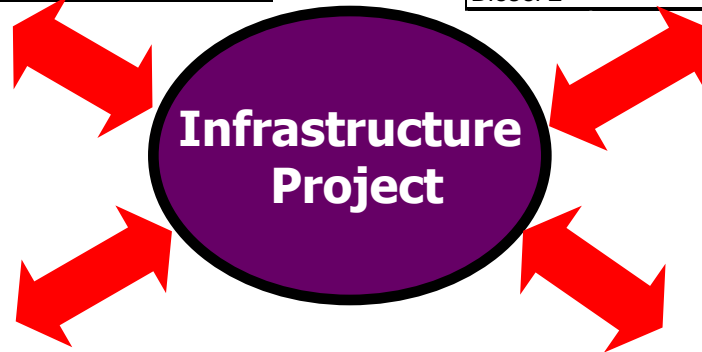
INFRASTRUCTURE PROJECTS



Dependencies With Other Projects & Compliance/Agreements

LEAD ACID PLANT		
UTILITIES	REQUIRED DATE	SUPPLY DATE
Electrical Energy	July, 2008	June, 2008
Soft water	July, 2008	July, 2008
Diesel 2	July, 2008	April, 2008

COPPER ACID PLANT		
UTILITIES	REQUIRED DATE	SUPPLY DATE
Electrical Energy	July, 2009	January, 2009
Soft water	July, 2009	July, 2008
Diesel 2	July, 2009	April, 2008



COPPER CHANGES		
UTILITIES	REQUIRED DATE	SUPPLY DATE
Electrical Energy	July, 2009	January, 2009
Soft water	July, 2009	July, 2008
Polished water	July, 2009	July, 2008
Diesel 2	July, 2009	April, 2008
Compressed air (3 psig, 15 psig)	July, 2009	July, 2008
Oxygen	July, 2009	June, 2009
Copper Rectifier	July, 2009	July, 2009

OXYGEN PLANT		
UTILITIES	REQUIRED DATE	SUPPLY DATE
Electrical Energy	June, 2009	January, 2009
Soft water	June, 2009	July, 2008
Steam	June, 2009	April, 2009

5. ENVIRONMENTAL COMPLIANCE AT LA OROYA METALLURGICAL COMPLEX

(Jose Mogrovejo)

5.1. CURRENT ENVIRONMENTAL LAW

Liquid Effluents:

Maximum Permissible Levels (Mining Regulations)

Class III Water Quality Standards (General Water Law)

Stack Emissions (Maximum Permissible Levels):

Dust

Lead

Arsenic

SO₂

Air Quality (Air Quality Standards and Environmental Goals):

Lead

PM10

SO₂

Arsenic

Cadmium

Tellurium

Bismuth

Environmental Contingency Plan – States of Alert

5.2. MINE CLOSURE PLAN

- Conceptual Study (La Oroya and Cobriza): Submitted in August 2006
- Mine Life:
 - Cobriza: 6 years (US\$31.90 million)
 - La Oroya: 50 years (US\$58.02 million)
- Final Study: February 2008
- Guarantee: Starts in January 2009
 - La Oroya: Trust Fund
 - Cobriza: Guarantee (annual deposits)
- Remarks:
 - Progressive Closure (according to approved timeframe)
 - Final Closure (guarantee)

5.3. THIRD-PARTY ENVIRONMENTAL LIABILITIES

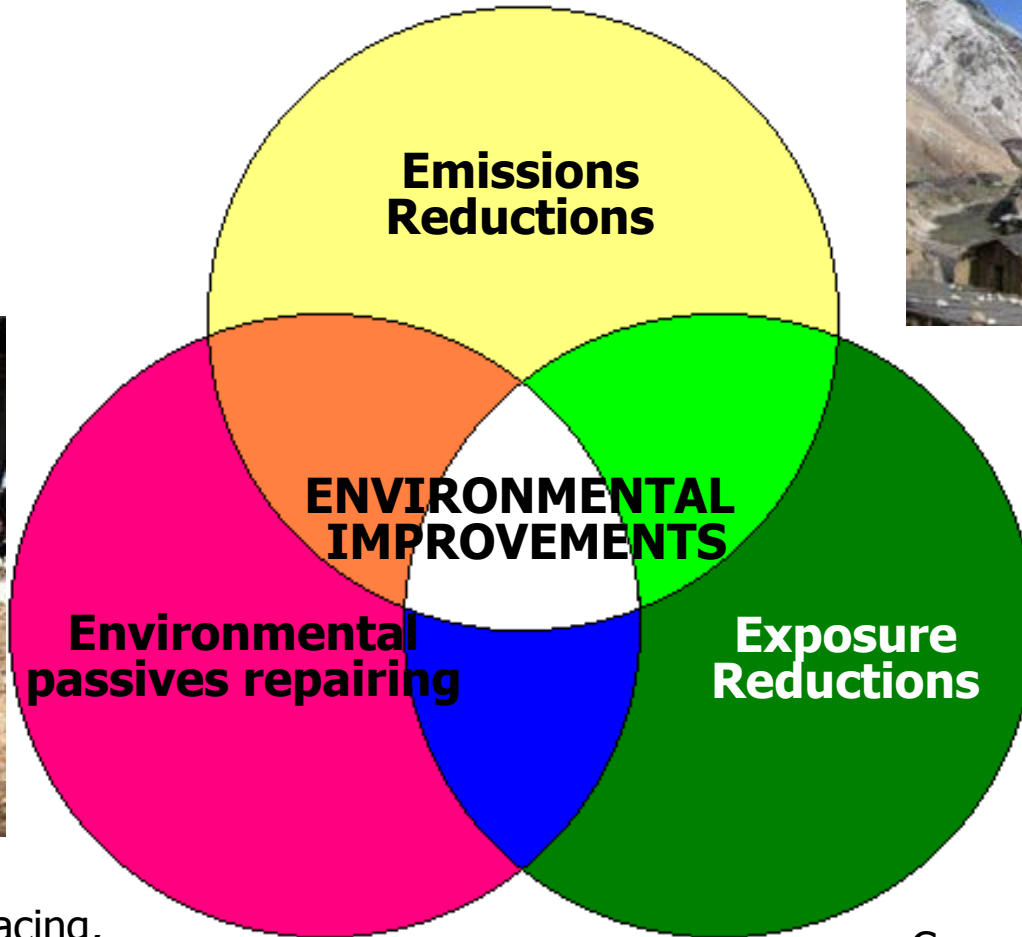
- CMP: Responsibility according to Transfer Contract
- Independent PAMA for soil remediation
- Activos Mineros: New state-owned-company responsible for CMP environmental liabilities
- Ground Water International: Consultant company engaged by Activos Mineros to carry out a soil remediation study in La Oroya (US\$1 million)
- The Ministry of Energy and Mines is requesting Activos Mineros to put into effect some remediation works in La Oroya

5.4. COMPLIANCE

- OSINERGMIN Permanent Audit
- MINSA Agreement
- Compliance with our environmental commitments at the end of the PAMA extension is guaranteed

ASPECTS THAT IMPROVE LA OROYA ENVIRONMENT

Main Stack Emissions
and Fugitive Emissions



Street surfacing,
Public areas forestation, in order
to reduce the lead bioavailability.
Doormat use



Community intervention
Hygiene training
Street and public areas cleaning
Enlarge the geographical areas

July 2006 - June 2009



OBJECTIVE

To continue with blood lead levels reduction on Children less than 6 years old and expectant mother. This Agreement has signed on 2003 and has renewed on July 2006 until June 2009.

NEW REACH

- Greater Geographical areas: La Oroya Antigua, La Oroya Nueva, Santa Rosa de Sacco, Paccha and Huari.
- Environmental Risk Control: Lead, Arsenic, Cadmium, Sulfur Dioxide and others.
- Monitoring to Population more than six years old.

AGREEMENT AND R.M. 257-2006-MEM/DM

- DRP's Agreement participation is a commitment according the Ministerial Resolution N° 257 that approved the PAMA extension.
- The Ministerial Resolution considers a trusteeship for about US\$ 903 091 for Health treatment.

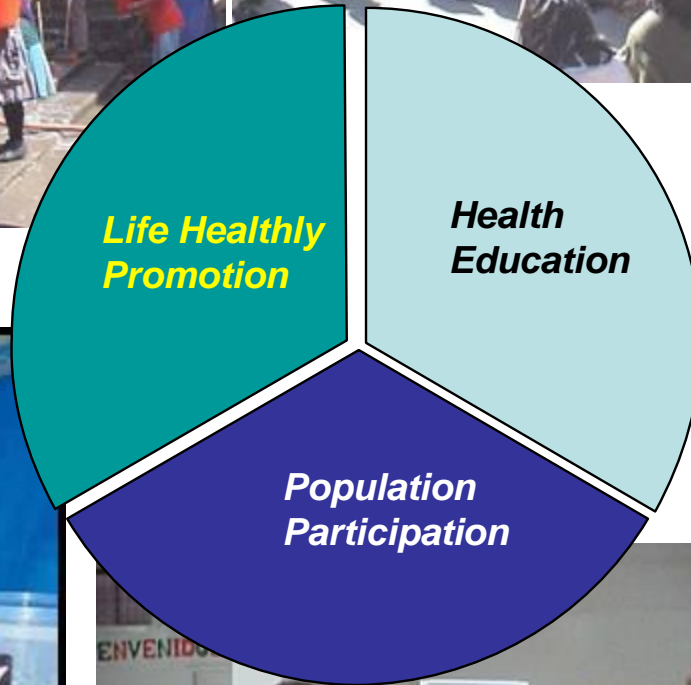
DRP's ROLE ON THE AGREEMENT

To provide infrastructure, fit equipment, logistic help, medicines, personnel, give financial help for the development of MINSA personnel, and participate for dust exposure reduction on the public areas. All the actions to prevent the health is carry out by MINSA, DRP does not lead any health activity.

MINSA HEALTH PROMOTION

The MINSA lead the following Programs:

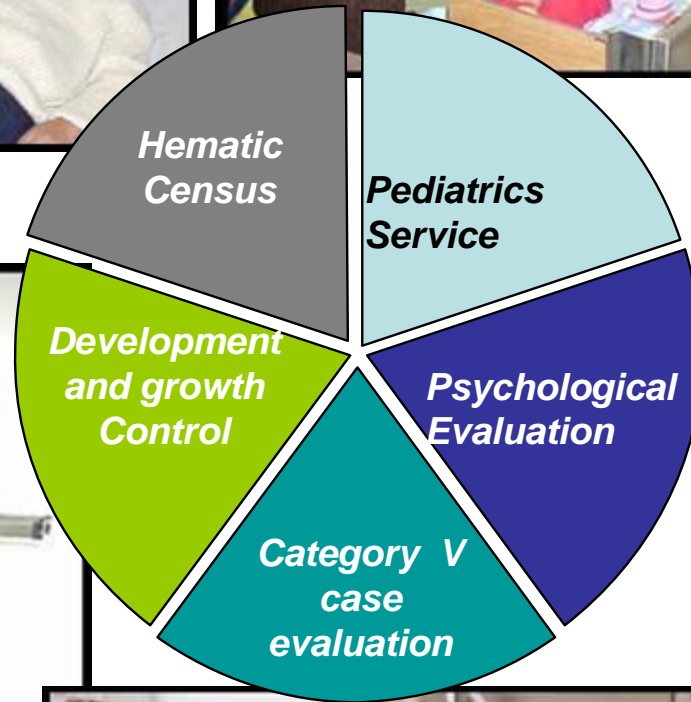
- **Families and healthily housing Program:** This Program serve to 350 Children who belong 314 Families and includes to Children less than 3 years old.
- **Clean Hand Program:** This Program serve to Children less than 6 years old at La Oroya Antigua and there are six points.
- **Social Evaluation Program:** Until now it has made 887 evaluations and Health Center Equipment has 265 evaluation, and the total evaluations are 1152.
- **Huaymanta Shower Program:** Until to date it has a participation of 3076 and with an average per day of 80 persons.



MINSA HEALTH SERVICE

The MINSA lead the following Programs:

- **Sulfur Dioxide serve Program:** It made evaluation for persons between 3 and 65 years old who suffer respiratory diseases. Until to date it has served to 115 persons.
- **Hematic Census 2007:** The goal is 2500 Children and 200 expectant mothers. Until now it has evaluate to 381 Children and 29 expectant mother. The program has begun on November 12 and will finish on December 14, 2007.



Provisional move Program at Casaracra lead by MINSA



OBJECTIVE

To move Children to another place without pollutant.

To develop with the Children actions to reach the lead blood level reduction.

It serves to Children who belong IV and V category , between 6 months and less than 6 years old.

There come 95 Children every day, from 08:30 a.m. to 03:00 p.m.

The service is about:

- Educational service;
- Pediatric;
- Psychology;
- CRED
- Food;
- Early stimulation;
- Personal Hygiene;
- Fathers School.

Diet Complement for Children lunch box Program 2007



OBJECTIVE

The MINSA give a complementary diet as an reinforce for the Children lunch box, so it reaches to Children: Initial level and 1^o and 2^o grade for Schools at Oroya Antigua, Oroya Nueva, Santa Rosa de Sacco and Paccha.

- Start: May 14, 2007
- 700 Children between 3 and 6 years old.
- Children category: II, III and IV
- It serves from Sunday to Friday
- Finish: November 30, 2007.
- Goal: 86,800 diets
- Executed goal: 77,700 diets (89,5 %, it has not reached the goal because the Teacher's paralization between June and July 2007).

FOOD GIVEN

- Monday: mandarin
- Tuesday: apple
- Wednesday: yogurt
- Thursday: banana
- Friday: mandarin

HOME REPAIR AND CRITIC AREAS HANDLE



BEFORE



AFTER

- **Home repair Program:** The goal is to repair 60 homes so until now it has repaired 31 Homes. The objective of this program is to reduce the Children lead exposure in their homes.
- **Critical areas handle Program:** The objective of this program is to reduce the exposure areas to the dust, because there the Children frequently come to play. The program includes 13 areas with a total surface of about 2373 m². All the dust exposure areas are located at La Oroya Antigua.

5.5. NEXT STEPS

- New Air Quality Standards
- Additional Enclosures
- Complementary Environmental Projects
- Water contingency program

6. UPDATE ON LEGAL ISSUES

(Cesar Rivera)

JUDICIAL PROCEEDINGS

LABOR PROCEEDINGS

- We have 561 ongoing labor proceedings

	MATERIA	PERCENTAGE	TOTAL
a)	Professional Diseases (mainly pneumoconiosis)	55,79%	313
b)	De Minimis (mainly correct remuneration payments)	38.50%	216
c)	Others(mainly Labor Hostility, Dismissals objection)	5,70%	32
	TOTAL	100%	561

Remark:- During DRP's 10 years 149 judicial proceedings have concluded. 86.58% have been favorable to DRP. 13.42% have been unfavorable for DRP, resulting in US\$ 57,427 of total payments. There is a lawsuit against DRP claiming environmental damages for US\$ 5MM (EFA is in charge of the defense). They predict a favorable outcome for DRP.



JUDICIAL PROCEEDINGS

CRIMINAL PROCEEDINGS

We have 10 ongoing criminal proceedings. The most important are:

- Claim for the two contract labor workers' accident in Cobriza.
- DRP's suit for lead slime robbery.

Remark: In the first case, charges for manslaughter have been filed against DRP's mine manager and other officers. We expect to stop the proceeding at the D.A.'s office before it goes to Court, since the accident was caused by an act of God. In the second case we are trying to identify a systematic theft of valuable metallic material in the CMLO.



PROPERTIES AND CONCESSIONS

- **PROPERTY**

We have 3,431 hectares (34 310 MM m²) of property in La Oroya and 1,077 hectares (10 770 MM m²) in Cobriza.

- **CONCESSION**

We have 7,139 hectares (71 390 MM m²) of mining concession in La Oroya and 51,896 hectares (518 960 MM m²) in Cobriza.





PROPERTIES AND CONCESSIONS

Comment:

- Concessions are US\$ 3.00 per hectare per year (Mining Right Fees).
- We also need to pay US\$6.00 per hectare per year if there is no production. (Penalty)
- The annual payment for the above mentioned is US\$ 21,417 for La Oroya and US\$467,064 for Cobriza.
- We have disputes with Municipalities for Real Estate taxes. They amount to approximately US\$6 MM. Estudio Ferrero and Estudio Hernandez are in charge. They predict a favorable outcome for DRP.



PROPERTIES AND CONCESSIONS

- Concessions: 8 concessions have been awarded to Cobriza and 8 to La Oroya to prevent third party intervention to our property.
- We have Communities and dwellers that are established on an area of DRP's property, and use it to feed their livestock and for agriculture. Approximately 10% of the property in La Oroya and 0.5% in Cobriza is being used in that manner. We are negotiating Shepherding Agreements for them to acknowledge DRP's property.



THANK YOU

