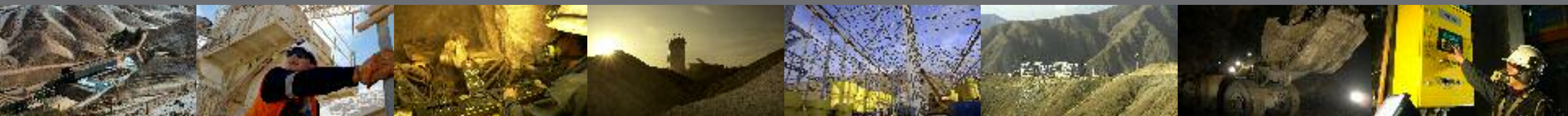




“ CERRO LINDO IS A POLYMETALLIC ORE DEPOSIT THAT HAS BECOME A REALITY THANKS TO THE APPLICATION OF STATE-OF-THE-ART TECHNOLOGY, THE USE OF SEAWATER, AN INFINITE SOURCE OF WATER, THE RESPECT TO PEOPLE AND THE ENVIRONMENT AND THE DETERMINATION OF A GREAT HUMAN TEAM. THE SPREADING OF OUR STATE-OF-THE-ART TECHNOLOGY WILL MAKE OTHER ORE DEPOSITS BECOME A REALITY, CONTRIBUTING ECONOMIC MOVEMENT TO THE LOCATION, THE REGION AND THE COUNTRY. ”

**Germán Arce – General Manager of Cerro Lindo Mining Unit**

## Peruvians with optimism



### Favorable impacts

- ▶ Generation of more than 2,000 direct jobs and 1,000 indirect jobs, with a disbursement of about 72 million soles in salaries during the construction of the project.
- ▶ More than 120 people from the community of Chavín, who have been trained in the operations of the mining unit, are currently in charge of those operations and are on the company's payroll.
- ▶ More than 75% of the total investment has come from Peruvian-origin inputs and services.
- ▶ Social investments for US\$500,000 were made during the project construction and for US\$100,000 per year, during the operation of the mining unit, notwithstanding the Contribution to the Mining Program Solidarity with People that has already been executed.
- ▶ Dining room for children that provides breakfast, lunch and dinner to children of the nursery school and the elementary school of the community of Chavín, contributing to the improvement of the academic performance of these children.

“ WE ARE A PERUVIAN COMPANY WITH A CULTURE OF AUSTERITY. WE HAVE MANAGED TO OVERCOME THE DIFFICULTIES FACED BY THE MINING SECTOR ALONG HISTORY AND WE CAN AFFIRM THAT WE HAVE CONTINUED WORKING ALSO BECAUSE OF THE RESPECT AND PATRIOTISM THAT NOW THAT WE INTRODUCE CERRO LINDO TO YOU WE WISH TO RENEW. ”

**Engineer Ivo Ucovich – Chairman of the Board of Directors of MILPO**



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## MILPO Group

It is a **Peruvian mining group** engaged in the development and operation of zinc, copper, lead and silver producing mines. It is currently the **fourth zinc and lead producer** in the world and has a 7% share in the **domestic production** of those metals.

It has three mining units that are currently operating: El Porvenir in Pasco, Peru, Ivan in Antofagasta, Chile and Chapi in Moquegua, Peru, which, during 2006, produced 1'424,238 MT of ore.

The Milpo Group has invested in Peru the profits it has generated and has built its fourth Mining Unit called Cerro Lindo, which is located in the province of Chincha, region of Ica. The investment made adds up to US\$110'000,000 and has been financed with own funds.

In 2006, the Group contributed S/.42 millions as mining royalty and US\$3.3 millions as contribution to the Mining Program Solidarity with People.

## Cerro Lindo Mining Unit

The Cerro Lindo Mining Unit will have an estimated average production of 146,000 MT of zinc concentrate, 14,800 MT of lead concentrate and 39,500 MT of copper concentrate, with reserves for more than 33 million MT.

Likewise, in order to make said project feasible, state-of-the art technologies have been implemented to:

- ▶ Provide the project with seawater pumped from the coast through a 60 km. long pipeline, up to a height of 2,000 meters above sea level.
- ▶ Apply the paste tailings filling and disposal system, which means a lower environmental impact and the recirculation of water in the process, thus preventing discharges in the basin.

▶ EL PORVENIR, PASCO

▶ IVAN, ANTOFAGASTA

▶ CHAPI, MOQUEGUA



“ FOR 58 YEARS, MILPO HAS BEEN ABLE TO WORK IN THE MINING SECTOR AND TAKE PART IN THE COUNTRY'S LIFE WITH FAITH AND OPTIMISM, AND HAS BEEN PERSISTENT IN ACHIEVING ITS GOALS, WITH A SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE BEHAVIOR AND VERY CONCERNED ABOUT THE SECURITY AND HEALTH OF ALL ITS ASSOCIATES. ”  
**Abraham Chahuan – General Manager of MILPO**



“Cerro Lindo appeared by 1967 as a local company. Then Milpo assumed all the work. I was there from 1999 to 2000, in the middle of the way to the whole deposit. During that year two bodies were found; then we commenced an exploration campaign with 148 diamond drills and the fifth body was found, the richest in zinc, which was completed in two years on average.”

**ENGINEER ALEJANDRO TRUJILLO CABANILLAS**  
 Exploration Geologist at the Cerro Lindo Mining Unit

“The whole road has been planned to have a granular surface course; the first 18 kilometers have already been completed (...); it has all the necessary signals, fords, works of art, it has a bridge in the gully of Humapuquio and it has a sewer system, this stretch has been completed. Not only that, but Milpo has made a 9 km. line change in the community of Chavin, at 51.800, reaching Chavín through a zone where there is no danger.”

**ENGINEER FERNANDO MASA**  
 Supervisor of the New Jahuay-Cerro Lindo Highway Project

“We have committed ourselves to take water from the nearby sources and we are complying with such commitment. We have installed a desalination plant at the beach and pump seawater at 2,200 meters above sea level, in an area of 45 km. This is not common in the country, we bring water from the ocean and we process it to use it in our operations. This is called living together with our community.”

**ENGINEER EDUARDO LEÓN**  
 Manager of the Cerro Lindo Mining Unit Projects

“A great amount of personnel from the nearby communities has been hired in the construction stage. People were uncomfortable at the beginning, but they eventually understood that our mining is healthy and very good and makes great social and economic contributions. Milpo is a pride for Peru, not only because it is a Peruvian company, but also because it is a project built by Peruvians.”

**ENGINEER CLEVER PÁRRAGA QUINTANILLA**  
 Construction Manager of the Cerro Lindo Mining Unit

“At first people were uncomfortable due to the pollution problem, but then they realized that now much care is given to water in the mining sector. They now think that mining will contribute to the development of communities. In my case, my training in Cerro Lindo has finished, and now I have to apply the knowledge acquired.”

**LUIS CAHUANA HERNÁNDEZ**  
 Former joint land owner, currently working at Cerro Lindo

“It was a dream and now it is a reality. Cerro Lindo will contribute through a new form to make mining in Peru. Imagine, we will bring water from the sea to those zones where there is no water; we will train people in those zones where there is not enough labor because most people is engaged in farming. You don't need to go outside Peru to see clean technologies, now you only have to come to Cerro Lindo. We are changing certain paradigms and this is very important for the sector and for the country.”

**ENGINEER SAMUEL MADRID**  
 Head of Geology at Cerro Lindo Mining Unit