

Reply from Compañía Minera Antamina to Associated Press (AP)

Through this communication we want to state publicly and transparently, our position facing the article released by Associated Press (AP) and written by journalist Frank Bajak, entitled (in English) *"Perú mining boom leaves behind highlanders"*, and entitled in Spanish as *"Auge de la minería trajo contaminación y no riqueza"* (Mining boom brought pollution, not wealth - literal translation to the original English).

In response to any information and consultation request, Antamina shows a policy of openness. Under this commitment, we were attending the various requests made by AP, 13 months exchanging over 40 emails, several text messages, acquitting questionnaires, and we offered an interview that lasted more than two hours, with three officers of our company.

Since May 24, 2013, date of this mentioned interview, each query made by Associated Press (AP) has been answered; surprisingly, the data we find in article is inaccurate. Antamina operates under the most demanding technical, environmental and production standards in the world and, as part of its philosophy, Antamina drives important social responsibility programs that have achieved positive results in improving the quality of life of the population in its area of influence in Ancash, the region to which it belongs. In that sense, addressing in a general context such issues as social inequality, conflicts and corruption of officials, with which we have no relationship at all, leads to negative perceptions and misconceptions not related with the moral and ethical principles of Antamina.

Only in the case of the <u>leak of copper concentrate in our pipeline</u>, dated July 2012 in Santa Rosa village, the AP article states that "*a toxic cloud sickened dozens of people*", without mentioning the objective fact that copper concentrate, in the conditions in which it is produced in Antamina, is not considered to be hazardous to health; that medical evaluations of the Peruvian authorities have pointed out that no people were affected with this event and that the values found in part of the population screened -including residents of the place where the incident took place and residents of areas not involved with this fact- refer to a situation not related to the leak. As for the "toxic cloud" concept, it is important to know that copper concentrate is not a gas; it has a slurry consistency so that it is impossible that it may turn into a cloud. It is worth saying that various <u>reports and evaluations</u> indicate that the work executed after the accident, properly concluded that there is no consequences for people, water, air and soil.

On this same subject, the article says that the residents of Cajacay "unearthed one hundred meters of pipe," when in fact these were just five meters, and that "they partially cut the fiber optic cable" when this never happened. The following pictures releases us from further comment:



It is not true that the people of Cajacay "unearthed one hundred meters of pipe." These were just over five meters. Nor is it true that "they partially cut the fiber optic cable."

We believe it is important to point out that this refers to a situation that is overcome. Today, there are spaces for dialogue in Cajacay and there are projects in course. Perhaps the most important is the <u>Huarco Curan dam</u>, a work that will provide water for the crops of thousands of people in the district during all year, and will expand the so-called "agricultural frontier" in the area.

The article also talks about fines. Here, we just want to say that in Antamina we respect the laws and regulations, and that appealing a sanction is part of the exercise of a right that we all have, including mining companies. There is no irregularity in this regard.

In the case of the Marzano family and the complaint mentioned in the article, we believe that the last inspection made by two regulatory agencies of the Peruvian State (OEFA and OSINERGMIN) clarifies the scenario. Two weeks ago, under the complaint made by that family, we received the unexpected (unannounced) visit of these institutions, which supervised our blasting procedure. The results state that Antamina meets all standards required by law, it being understood that our procedures have no effect on these people, who since 2011 have decided to live where they never did before: by the limits of the property of Antamina, very near to the pit where we extract minerals. Some have even placed makeshift homes within our property.

We are astonished to read in the Associated Press article that Luis Marzano, who has been working in Antamina for 15 years, is "fighting against the expansion of Antamina". Luis is part of our company and knows the procedures and production standards of the company. Moreover, four other members of the Marzano family have worked directly or indirectly in Antamina in recent years; Edwar, Magna, Amador and Petronila. Here, we want to share that nearly half of Antamina workers comes from Ancash and that 100% of the unskilled labour is local.

As for the health evaluations made in 2006 in Juprog, we must be clear in pointing out that these were technically clarified, after other laboratory samples showed different results. It is important to say that in less than two years Antamina has solved three conflicts out of ten recorded by the Ombudsman Office, and we intend to continue on that path. It is also striking the comment about the 60 places with "mining waste". Antamina has nothing similar. If reference was made to the so-called "environmental liabilities" that existed before the start of our operations due to activities prior to the arrival of Antamina, it is important to be aware that to date these are identified and studied; and now they do not generate impact on the environment.

About the positive social impact of Antamina we cannot say enough. A visit to the city of Huarmey can show how working together allowed renewing the <u>roads and sidewalks</u> of more than half of its streets or how the drilling of a new well has allowed its population to have more <u>water in their homes</u>. An exit to Chasquitambo in Valle Fortaleza, allows the visitor to see a town that sells <u>avocados to Peru and the world</u> after a project to improve their irrigation systems. A little farther, in Chavin, tourism is strengthened with new studies and findings in the <u>Chavin archaeological site</u> and an <u>afforestation project</u> starts to come to life and offer hope and development to 32 towns of the province of Huari.



Avocados in Chasquitambo.

New roads and sidewalks in Huarmey.

Forestry Project in Huari.

Antamina's social investment not only refers to a figure (more than \$ 300 million between 2007 and 2013); it is related to a job that has always sought development and sustainability. Like Cátac, a community where a livestock project has made them proud <u>farmers of Prime sheep</u>; or the almost 500 children and youth people from Huaraz and San Marcos that are part of the project <u>"Sinfonía por el Perú"</u> (Symphony for Peru) which, through music, has developed self-esteem, responsibility and values.



Project "Sinfonía por el Peru" in Huaraz and San Marcos.

Sheep project in Cátac

This is just a small sample of what Antamina has made in recent years with effort and with many lessons learned along the way. The article does not provide a view of what Antamina really is. Here in Peru, our company has been recognized as one of the 10 most admired companies, the <u>number one employer in the ranking</u> and the one with the best reputation in the mining sector, among many other accolades. No doubt this is relevant information to better understand what Antamina represents to Ancash, Peru and its workers.

Huaraz, June 10, 2014 Corporate Communication Management Compañia Minera Antamina Ancash Region