

THE PERUVIAN STATE NEEDS TO RECOGNIZE ITS COMMITMENTS WITH DOE RUN PERU

Lawsuits in the US place the future of the La Oroya Facility at risk

- The stock transfer agreement of the La Oroya Metallurgical Complex (LOMC), signed on October 23, 1997, provides that the State must:
 - Remediate the areas affected by the gaseous emissions and particulate matter from the start of operations of LOMC until the completion of the PAMA by DRP. (Section 6.1.C of the Agreement)
 - Legally protect and hold Doe Run Peru S.R.L. (DRP) harmless against third party claims and indemnify it for any damage, liability or obligation that may arise for which it has assumed liability and obligation. (For example, Section 6.5 of the Agreement)
- The contract was executed by:
 - Doe Run Perú S.R.L., The Doe Run Resources Corporation (USA), and The Renco Group, Inc. (USA); and
 - The Peruvian State through CENTROMIN PERÚ.
- It is the Peruvian State's contractual responsibility to remediate the soil in La Oroya to reduce the blood lead levels in children.
- The State's failure to remediate the soil has led to lawsuits being filed by children of La Oroya against The Doe Run Resources Corporation, The Renco Group, Inc., and certain of their respective officers. The lawsuits are proceeding in Courts of the United States.
- Doe Run Perú S.R.L. is required to indemnify all of the defendants in the cases mentioned in the previous paragraph.
- If the lawsuits are successful, and the U.S. affiliates of DRP are ordered to pay financial compensation to the plaintiffs, the legal and financial contingencies of DRP would needlessly be increased. That would threaten both DRP's ability to resume operations as well as the continuity of LOMC's operations.

Juan Carlos Huyhua, President and General Manager of Doe Run Peru, stated "If the U.S. lawsuits are successful, any financial compensation and sanctions DRP's U.S. affiliates and their officers are ordered to pay would have to be assumed by DRP and in any event are the responsibility of the Peruvian State under the stock transfer agreement."