

Closed properties



Treated water on tailings cell 1 at Sturgeon Lake.

Inmet is actively engaged in rehabilitation work at five closed properties in Canada and the U.S., and has minimal ongoing activities at four other properties in Quebec.

Safety and health

We had another excellent year for health and safety at our closed properties, with only one recorded incident (that did not result in an injury) and one first aid case. Our exceptional record for no lost time injuries reached 75 consecutive months at the end of 2006. We continue to focus on safety by holding weekly crew teleconference calls in the spring and fall when freeze-thaw conditions make safety problems more likely. Representatives from the closed properties also participate in our biweekly Safety Task Force conference calls.

Environment

The primary reason for our presence at the closed properties is environmental protection. Next to worker safety, compliance with our water discharge permits is our most important task at the closed properties.

We are pleased to report that we did not exceed permit conditions at any of our properties in 2006. We did, however, have seven spills. There were three releases of untreated water (two at Copper Range and one at Winston Lake), two spills of flocculant (both at Samatosum), one spill of process reagent (Samatosum) and one petroleum spill (also at Samatosum). This is more than twice the number of spills we experienced in 2005, and two of these incidents were reportable. There does not appear to be a systemic cause for the deterioration in spill performance. Closed property staff are acutely aware of the situation and we hope to see a rebound in performance in 2007.

Closed properties

We made significant progress on increasing dialogue in 2006 and extended our lost time injury-free record.

Community affairs

We conducted a total of 17 community-related meetings at our five primary closed sites in 2006. These ranged from meetings with single contractors about our emergency response and preparedness plans, to meetings with provincial and federal regulators about biodiversity and meetings with our neighbours. Most of our community meetings feature presentations about our sites and about the Toward Sustainable Mining initiative. We respond to questions and listen to comments and concerns. This dialogue represents a considerable commitment and accomplishment since most of our sites are relatively remote and have few neighbours.

In general, we learned that all of our communities are interested in matters that could affect their health and safety. They are interested in how long we will be working at the closed sites and they are interested in improving emergency response and communication. At some of our sites, community members have already begun working with us to improve evacuation planning for downstream residents in the unlikely event of a flood, and all the sites are receiving feedback on our emergency contact lists. One community member assisted with our emergency plan testing by initiating the surprise test scenario with site personnel.

We learned a great deal from talking to our neighbours this year and what we are learning will help us focus on those matters that are most important to them. We will incorporate what we learned into our meetings and presentations in 2007.

Copper Range

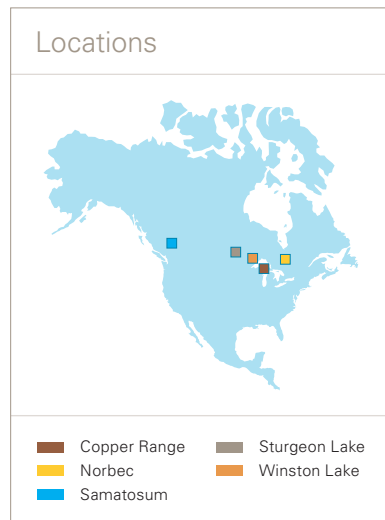


Reclamation at Bedell Pond.

In 2006, we completed re-vegetation and wetland construction activities at Bedell Pond. This pond was reconfigured in 2005 to serve as a wetland system that would reduce total suspended solids and total copper concentrations. The effectiveness of this system will be evaluated over the next few years. Based on the reduced copper concentrations we saw in our discharge water in 2006, we believe re-vegetation of tailings is helping to improve the quality of the water we discharge from

the impoundments. However, we also experienced very dry conditions during the summer so we did not have any flow from the impoundments for several months. Low flow in our impoundments helps reduce the concentrations of suspended solids and total copper in our discharge.

We learned this year that our neighbours at Copper Range are interested in understanding water management and how we evaluate re-vegetation success. The former Copper Range tailings area is now home to various wildlife, so there is also interest in whether we will allow access for hunting. In general, we discourage this practice in the interests of personal safety of our contractors working in the area.





Wildlife at Samatosum.

Norbec

We had ongoing discussions throughout 2006 with the Quebec Ministry of Sustainable Development, Forests and Parks about amendments to our closure plan for Norbec. The existing plan calls for installation of a multi-layer cover over tailings impoundment number two. At the time this plan was developed, these covers were state-of-the-art and it was thought they could eliminate oxygen and stop sulphides from oxidizing. We have since learned that such covers do not help with mine waste that is already substantially oxidized, like the waste at Norbec is. We are now proposing to construct a simple clay cover designed to limit the amount of water coming into contact with the tailings. We believe this is a more appropriate mitigation measure for this site and one that will protect the environment equally well.

We will submit designs for the alternative cover for approval in 2007 and we will also finish excavating the acid-generating access road at the site.

Water treatment is an on-going and long-term obligation at Norbec. We continue to treat impacted water and look forward to further water quality improvements at Duprat West once we complete excavation over the next few years. Similar excavations six years ago in the Duprat East area improved water quality enough for us to receive approval for discharge. As we learn more about the rate of water quality improvements at Duprat East we will make plans for permanent water diversion and discharge structures.

The town appreciated the outreach efforts we made this year and identified opportunities to partner on emergency response and communication. We will also now be included in the local watershed management committee meetings as they develop plans.

Samatosum

We were not able to re-slope part of the acid generating waste dump at Samatosum this year as planned because we had difficulty attracting bidders for the job. Contractors are currently in demand throughout British Columbia and are reluctant to bid on new work. We checked with our geotechnical consultants before deferring the work to ensure this short delay would not significantly increase the risk of a failure. We have now identified a qualified contractor and adjusted our budget so the project can go ahead in 2007.

Dry weather conditions dominated the second half of the year in south-central BC. Flow in Johnson Creek, where we discharge treated effluent, was at an all-time low. Low flow conditions mean that our discharge makes up a higher proportion of the total water flow and this results in higher concentrations of some constituents in the water. On the basis of past testing, we are confident these elevated concentrations do not pose a risk to the in-stream environment and we're keeping provincial regulators informed of the situation.

In community meetings at Samatosum, the primary concern was adequate water supply for agricultural activities, since our site is located upstream from these farmlands and we discharge treated water into the local stream. We do all we can through our water treatment activities to contribute water to this stream, although weather conditions were dry in 2006. Our nearest neighbours suggested that we partner on emergency response by implementing a common radio frequency and by exchanging contact lists.

Sturgeon Lake

We continue to see improvements in water quality at Sturgeon Lake, both within our tailings cells and downstream from them. We re-circulate lime-treated water into the cells to help prevent and neutralize acid drainage. As water quality within the tailings cells gradually improves from this process, so does the downstream water quality. This is a long-term process that is showing results.

We deferred our plans to excavate the material from the former explosives magazine until we can better evaluate whether this activity will have any actual environmental benefit.



Overview of the Samatosum surge pond and treatment plant.

Closed properties (cont'd)

We are required to update our biological monitoring data at Sturgeon Lake every five years. That updated survey was completed in 2006 and we are awaiting the results.

Our immediate neighbour at Sturgeon Lake is a closed mine site owned by another company. In talking with them this year, we learned that they are interested in the rehabilitation steps we are taking and our projected timeline for this work. We agreed to work together on emergency response plans and simulations for the area.

Winston Lake

In 2006, we excavated more contaminated rock and soil from the former plant site area to continue improving water quality. We also de-commissioned the former catchment sump and excavated material beneath the plastic pond liner to further improve the quality of water at the site.

Our monitoring program in the lakes downstream from the site continues to show that the water quality improvements we have seen in the past several years are being sustained. We believe we're well on track to begin one of our key closure tasks, reintroducing brook trout into Cleaver Lake, within five years. We hope to gain a better understanding of the improvements and the lake status once our consultants complete their report on our recent biological survey of the Whitesand River watershed.

The community near Winston Lake is interested in maintaining the access road at this site because they use it for recreational purposes. We are willing to maintain the road for as long as our presence is needed at the site. Community members are also interested in working together to develop an evacuation plan for downstream residents in the unlikely event of an incident that could result in a flood.



Overview of the water-covered Winston Lake tailings facility.

2006 Objective	2006 Results	2007 Target
<ul style="list-style-type: none"> Maintain our record of no lost time incidents and no environmental exceedances. 	<input checked="" type="checkbox"/> We met this objective.	<ul style="list-style-type: none"> Maintain our record of no lost time incidents and no environmental exceedances.
<ul style="list-style-type: none"> Complete emergency preparedness simulation exercises at each site. 	<input checked="" type="checkbox"/> We met this objective.	<ul style="list-style-type: none"> Involve communities of interest in two of our emergency preparedness simulations.
<ul style="list-style-type: none"> Increase our total job safety training observations by 100 percent. 	<input checked="" type="checkbox"/> We met this objective by documenting 97 job safety analyses in 2006, up from 45 in 2005.	<ul style="list-style-type: none"> Reduce total spills by 50 percent.
<ul style="list-style-type: none"> Improve our tailings management and community dialogue performance at each site. 	<input checked="" type="checkbox"/> We met this objective by completing tailings operations, maintenance and surveillance manuals for each site and conducting dialogue with our communities.	<ul style="list-style-type: none"> Incorporate community feedback into site planning.