

Our 2006 TSM performance

As we have in the past, we again reported our facility-by-facility performance against the TSM indicators for our operations worldwide, including for our 18 percent share in Ok Tedi Mining Limited in Papua New Guinea. We have also reported the TSM performance of each of our closed properties. We have done this to demonstrate that we apply a consistent standard to all operations, regardless of their location or operating status. We believe that detailed, facility-by-facility assessments help to improve performance.

In 2006 we continued to incorporate TSM targets into the safety, environmental and community affairs targets at our operations, and we reported on the progress we made. Although we did not meet all the targets, we did continue to improve our systems, hence our TSM assessments.

2006 Highlights

- We improved our emergency preparedness and response systems by reviewing the plans at Troilus and Copper Range. Troilus has had a comprehensive emergency preparedness and response plan in place for many years. The plan was upgraded in 2006 to align it more closely with the MAC template; however, it does not yet meet all of MAC's requirements.
- Our performance under the TSM community dialogue indicators was generally good. Our closed property team has now performed dialogue at all locations and has upgraded their community dialogue assessments to level 3 for all indicators at all properties. Formal dialogue plans were developed and implementation began at Çayeli and Pyhäsalmi.
- We recognize that our performance in the TSM area of energy and greenhouse gas management needs to improve. Çayeli and Pyhäsalmi both have basic energy management and reporting systems in place, and both have energy intensity performance targets. In 2007 it will be important to learn more about best practices in energy management to better manage this important area and to reduce operating costs. Greenhouse gas management also requires improvement, as only basic reporting systems are in place.

Our 2006 TSM self-assessments were externally verified for all properties except Las Cruces and Ok Tedi. Operations and closed property staff submitted documentation electronically to our external verifier, MPC Inc. Outstanding questions were clarified by teleconference; there were no site visits. The verification was comprehensive, covering all aspects of all indicators at all locations.

As a result of the verification, only one self-assessment was changed: the crisis management training indicator for the corporate office was changed from "yes" to "no." Inmet conducted training in 2006 but did not complete a simulation exercise.

MAC has honoured those facilities that have achieved at least a "3" rating for all verified indicators in a performance area. The facilities receiving this recognition are:

Çayeli	Emergency preparedness/crisis management
Pyhäsalmi	External outreach
Copper Range	Tailings management
	External outreach
Norbec	Emergency preparedness/crisis management
	Tailings management
	External outreach
Samatosum	Emergency preparedness/crisis management
	Tailings management
	External outreach
Sturgeon Lake	Emergency preparedness/crisis management
	Tailings management
	External outreach
Winston Lake	Emergency preparedness/crisis management
	Tailings management

External outreach
Emergency preparedness/crisis management

We are proud of the hard work and commitment that has contributed to these excellent results. To see our detailed TSM performance, please download a copy of the latest TSM progress report at www.mining.ca/english/tsm.