Inmet

safe | sustainable | communities

Responsible mining

Inmet Mining Corporation | 2007 Sustainability Report

Cover Photos: (Top) Ready for safe work at Troilus; (Middle) Çayeli among the villages of the Büyükdere Valley north to the Black Sea; (Bottom) School children enjoying a mine-sponsored day trip to Rize.

Financial highlights

(millions, except per share amounts)	2007	2006	2005	Change (2006 to 2007)
Sales				
Gross sales	$ 1,104	$ 1,088	$ 709	+ 1%
Net income				
Net income	$ 418	$ 421	$ 142	- 1%
Net income per share	$ 8.65	$ 8.73	$ 3.22	- 1%
Cash flow				
Cash flow provided by operating activities	$ 427	$ 438	$ 168	- 3%
Cash flow provided by operating activities per share	$ 8.85	$ 9.09	$ 3.81	- 3%

For more information about our corporate performance, please consult our 2007 annual review. You can download it from our website, www.inmetmining.com.

Our Operations

Çayeli

Underground copper and zinc mine that has been operating for 14 years.

40% of 2007 revenue

Revenue by metal: **60%** copper
40% zinc

Ok Tedi

One of the world's largest open pit copper and gold mines.

25% of 2007 revenue

Revenue by metal: **80%** copper
20% gold

Pyhäsalmi

Underground copper and zinc mine that we acquired in 2002.

25% of 2007 revenue

Revenue by metal: **45%** copper
55% zinc

Troilus

Open pit gold mine that produces gold-bearing copper concentrate and gold doré.

10% of 2007 revenue

Revenue by metal: **80%** gold
20% copper

Development and pre-development properties

Las Cruces

A high grade deposit which will produce a copper cathode starting in 2008.

Cerattepe

A small but high grade copper orebody near our Çayeli mine.

Petaquilla

A large, long-life copper, gold and molybdenum resource that we expect to produce copper concentrate.

This is the logo for Towards Sustainable Mining (TSM), the Mining Association of Canada's (MAC) sustainable development initiative. Inmet is a MAC Member and a participant in the TSM initiative. You'll find information about our TSM progress this year on p. 59 of this report.

Where to find it

About our 2007 Sustainability Report

This report communicates our corporate responsibility performance for 2007. It describes progress toward achieving our responsible mining objectives of operating safely, making a profit, protecting the environment and treating people and communities well.

Feedback

We invite your comments and questions about this report.
To learn more about our corporate responsibility initiatives and results, please contact:

Craig Ford,
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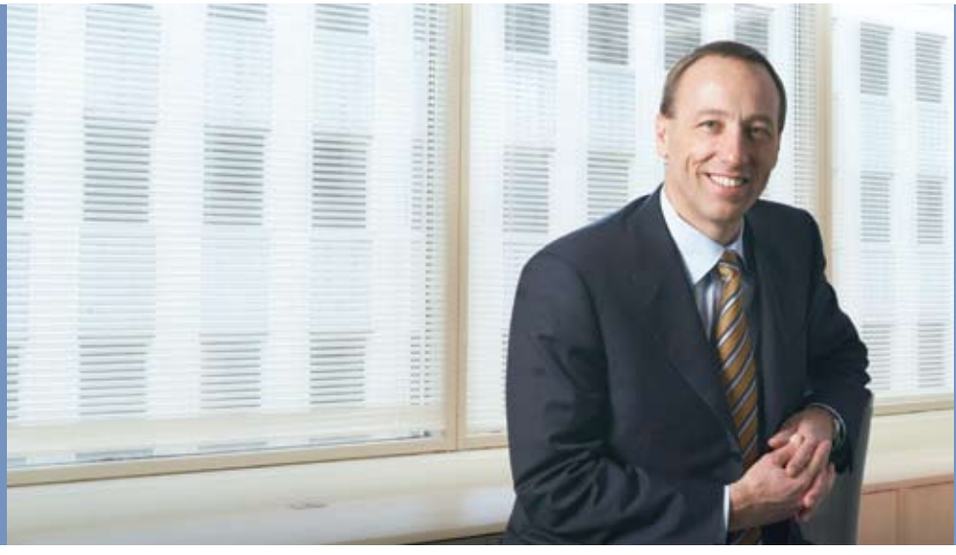
E fordc@inmetmining.com

In this report, *Inmet* means Inmet Mining Corporation and *we, us* and *our* mean Inmet and/or its subsidiaries and joint ventures.

For our Glossary, see page 75.

Letter from our Chairman and CEO

It is my pleasure to report on our progress in corporate responsibility in 2007. We are firmly committed to responsible mining. As we continue to compete for opportunities to grow, the corporate responsibility business case is clear – it helps us mitigate risk in many facets of our business and it is the right thing to do. It is our responsibility to share the wealth that is created through investment in mineral extraction and to be catalysts for the development of sustainable communities.



RICHARD ROSS

Chairman and
Chief Executive Officer

Over the past year we have continued to see the importance of a strong commitment to all facets of sustainability. Environmental requirements are becoming ever more stringent worldwide and permitting timelines for new projects continue to be extended. Community expectations, particularly in developing economies and in this period of buoyant commodity prices, continue to grow. These changes increase the cost of doing business, particularly for new project development, and cost estimates for new mining projects have escalated to the point where some of them may not be economically feasible. This is a challenge for all of us in the mining industry and for those communities who want the economic development that is catalyzed by mining.

In this report you will see clearly where we are headed. We openly discuss our successes, our disappointments and how we will improve.

One operation that particularly deserves celebration is Pyhäsalmi, which achieved the best safety record in its 47 year history of operation.

It is important to celebrate our successes. One operation that particularly deserves celebration is Pyhäsalmi, which in 2007 achieved the best safety record in its 47 year operating history. It is gratifying to see the positive results from the tremendous efforts of our employees in Finland to improve safe working practices since we acquired the operation in 2002.

To ensure that we continue to have such successes we recently introduced to all our operations our Safety, Environmental, and Community Affairs (SECA) Standards. These standards incorporate best practices from around the globe and apply to all of our majority-owned operations as well as to our contractors, regardless of their location.

Unfortunately, our accomplishments in 2007 were overshadowed by a fatality at our Çayeli mine in June. As a result, we embarked on the development of safety standards for high consequence tasks, described in more detail in this report. Everyone at Inmet, from our Board of Directors through to employees at all operations, is firmly committed to translating these standards into working practices that will safeguard our employees and contractors.

I am proud of our new five year strategic SECA objectives, developed to focus our efforts on continuing improvements in our SECA performance.

I am proud of our new five year strategic SECA objectives, developed to continue improvements in our SECA performance. These objectives have been translated into concrete targets that represent our best estimate of what we believe we can accomplish. Not only is achieving the absolute targets important, they also reinforce our four core values and serve to communicate to all our employees and other stakeholders the culture surrounding SECA that we want within our company (see p. 05). These objectives were developed through dialogue with our Board of Directors, our employees and with external stakeholders. We held an inaugural corporate stakeholder panel meeting in 2007 with a number of external stakeholders to hear their perspective on where we should focus our efforts. We will continue these consultations to get further feedback as we make progress toward accomplishing our objectives.

Finally, I would like to recognize all of our employees for their commitment to making Inmet a leader in SECA practices. There is no doubt in my mind that this is one of the most critical aspects of our business. Our success in advancing our SECA practices will very much define Inmet's success in growing responsibly as a base metal mining company providing superior returns to our shareholders.

Richard Ross
Chairman and Chief Executive Officer

Section 1

Performance overview

Our Las Cruces contractors after their environmental training.

Highlights of our accomplishments and disappointments in 2007

We made strides toward **improving** our **safety**, **environmental** and **community affairs (SECA)** performance in 2007 and toward contributing to our strategy of **growing responsibly** as a base metal mining company and providing superior returns to our shareholders. While significant progress has been achieved, challenges clearly remain. In particular, we focused on **learning** from the fatality at Çayeli and on **improving relations** with the local communities affected by our operations. The main highlights and disappointments in our safety, environmental and community affairs are summarized on the opposite page.

2007 SECA highlights and disappointments

Our four core values reflect our commitment to responsible mining. Every decision we make is tested against these values:

- operate safely,
- make a profit,
- protect the environment,
- treat people and communities well.

We expect everyone in our organization, from our Board of Directors to all employees, to respect these values. This approach gives structure to our decision-making and guides us when we are faced with difficult choices.

Operate safely

- A contract worker died while working at our Çayeli mine in Turkey. An independent investigation of the circumstances leading to the fatality identified improvements needed in both Inmet and contractor procedures for (i) worker management and supervision and (ii) managing areas with high hazard potential.
- We subsequently formed a work group to establish standards and guidance to ensure better control over eight areas identified as having high hazard potential. We have since assessed similar risks at all our operations and shared lessons learned across the organization. Improvements to safety risk control at our majority-owned sites have been initiated and senior and site management have committed to continue making improvements in our safety administration.
- Other safety statistics, including long-term injury and disabling injury frequency, improved considerably.
- There were 16 contractor injuries at Las Cruces during the first nine months of the year. Most of these were minor in nature. By the fourth quarter, our work to improve the safety culture among many small contractors, and the efforts of the employees and contractors at this site, contributed to achieving zero lost-time injuries, a significant improvement in the sites safety performance.
- Pyhäsalmi had the best safety performance in its 47 year history. This reflects the commitment and hard work of our Pyhäsalmi team in applying their safety and health management system. Pyhäsalmi also received ISO 9001 and OHSAS 18001 certifications.
- Safety was the theme at our annual General Managers' meeting in June. During the meeting, we formally introduced our SECA Standards for implementation at all our majority-owned properties.

Protect the environment

- Organization-wide, the number of reportable spills (mainly petroleum spills from heavy equipment) decreased considerably despite an elevated number of non-reportable petroleum spills at Las Cruces.
- Las Cruces received its ISO 14001 environmental management systems certification for the mining phase of the operation.
- Pyhäsalmi received its new Environmental Permit from Finnish regulatory authorities to operate under Finland's Environmental Protection Act and also received its ISO 14001 certification.
- We received two government-issued Notices of Violation related to four compliance issues identified during a regulatory inspection at Troilus.

Treat people and communities well

- Significant progress in community outreach was made at Las Cruces, Çayeli and Cerattepe. We are progressing well at Petaquilla with community consultation and with collecting baseline data for a social and environmental impact assessment (SEIA).
- We held an inaugural corporate panel of external stakeholders to provide advice on our SECA strategic objectives for the next five years.
- We recognize that without a comprehensive understanding of community concerns and issues, we are not able to address them effectively. We had hoped that our increased efforts to consult with communities in 2007 would help us to make more substantive progress on identifying community priorities for investments. Instead we learned that it will take time and hard work to convince our operations and communities that increased emphasis on community consultation is a beneficial and core part of our business. For 2008, we have committed to continue to improve our understanding of our local communities and our role within them. We will also work to increase resources at our operations to improve our understanding and ability to incorporate community interests into our annual budget process.

Our performance checklist

We met our 2007 targets for safety and occupational health. One exceedance prevented us from achieving our environmental target of zero permit exceedances of total suspended solids. More work is needed to identify community priorities for community-directed foundations at our active majority-owned operations and at Las Cruces. As a result, achieving our objective to establish community-directed foundations was delayed.

2007 Objectives	2007 Performance
1. Identify behaviour and risk-based safety system improvements, evaluate them and implement the best solutions.	✔ In our biweekly Safety Task Force (STF, see p. 24 for more detail) meetings we continued to focus on methods to reinforce risk-based behaviours in our employees and contractors. We also established a High Consequence Protocol process as a result of the investigation of the contractor fatality.
2. Reduce total injury frequency (TIF) and disabling injury frequency (DIF) by 10 percent.	✔ TIF and DIF declined by 11 percent and 17 percent, respectively.
3. Explore opportunities to expand and improve our occupational health systems.	✔ We developed summaries of common Inmet workplace exposures and evaluated ongoing workplace health monitoring.
4. Reduce the number of reportable environmental incidents by 5 percent and eliminate all permit exceedances related to total suspended solids.	≈ Reportable environmental incidents decreased by 33 percent to a total of 10. One total suspended solids exceedance was reported at Troilus.
5. Expand community dialogue and document community priorities and concerns.	✔ Progress was made in expanding consultation with our communities, particularly at Las Cruces, Çayeli and Cerattepe. Dedicated community affairs staff was appointed at two sites.
6. Investigate opportunities to establish community-directed foundations at active operations and Las Cruces.	✘ We did not achieve this objective. We found that further work to better understand community priorities was necessary and that is underway.

Our five-year strategic SECA objectives and 2008 targets

We renewed our five-year strategic SECA objectives in 2007. The objectives now include issues in corporate responsibility that are currently affecting, or are likely to affect our business in future. During the renewal process, we consulted within our organization and with external stakeholders. We also developed objectives for 2008 that should move us along the path to achieving our five-year strategic objectives. We are excited about our new objectives and about the continuing evolution of our organization.

Inspecting the revegetated Donalda tailings, near Norbec in Québec. The closed property was successfully rehabilitated and returned to the authorities in 2007.

Our five-year strategic SECA objectives

- Implement higher standards for safety and environmental performance
- Incorporate increased levels of operational sustainability to better align our operations with community expectations
- Contribute to furthering the development of sustainable communities

Five-year SECA targets

- Eliminate fatalities and significant environmental incidents and deliver 10 percent year-over-year improvements in SECA metrics
- Reduce fresh water withdrawal by 20 percent
- Designate 0.5 percent of after-tax profits to community development priorities
- Reduce energy consumption and greenhouse gas emissions intensity by 10 percent
- Annually review and update community socioeconomic assessments
- Develop a constructive relationship with at least one non-governmental organization (NGO) to contribute to operational and community improvements

Our 2008 SECA objectives

These objectives apply to head office and all majority-owned operations; the objectives have been incorporated by the operations into their site-specific objectives.

- Complete High Consequence Protocols and develop implementation plans
- Develop implementation plans for the SECA Standards at our operations
- Increase community affairs resources at our operations
- Conduct a socioeconomic assessment at each operation
- Develop energy and water conservation plans at each operation
- Join the United Nations Global Compact, an international multistakeholder initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption. The Global Compact website is www.globalcompact.org.

Section 2

About Inmet and this report

Çayeli's senior mine management conduct a weekly underground safety inspection.

Further details about our activities and operations are available on our website at www.inmetmining.com/ouroperations

About Inmet

We are a Canadian-based, **global mining company** that produces copper, zinc and gold. We have interests in four mining operations around the world: **Çayeli, Pyhäsalmi**, **Troilus** and **Ok Tedi**. We also have interests in two development properties, **Las Cruces** and **Cerattepe**, and one pre-development property, **Petaquilla**. In addition, we undertake exploration activities around the world.

Inmet is also actively engaged in **rehabilitation work** at five closed properties in Canada and the U.S., and maintains some ongoing **reclamation activities** at four other closed properties in Quebec, Canada.

About Inmet (cont'd)

Çayeli

Operating
Black Sea Coast, Turkey

Activity
Underground copper and zinc mine and mill, some exploration

Product(s)
Copper and zinc concentrate

Employees*
465

Ownership
100 percent

p.32

Pyhäsalmi

Operating
Central Finland

Activity
Underground copper and zinc mine and mill, some exploration

Product(s)
Copper, zinc and pyrite concentrate

Employees*
212

Ownership
100 percent

p.36

Troilus

Operating
Northwestern Quebec, Canada

Activity
Open pit gold and copper mine, mill

Product(s)
Copper concentrate and gold doré

Employees*
256

Ownership
100 percent

p.40

Ok Tedi

Operating
West-central
Papua New Guinea

Activity
Open pit copper and gold mine, mill process

Product(s)
Copper concentrate and gold doré

Employees*
2,100

Ownership
18 percent

p.44

Las Cruces

Under Development
Southern Spain

Activity
Open pit copper mine, mill, leaching and electrowinning

Product(s)
Copper cathode

Employees*
96

Ownership
70 percent

p.46

Cerattepe

Under Development
Eastern Turkey

Activity
Underground copper mine and aerial tramway to highway truck loading

Product(s)
Ore for concentrating at Çayeli mill

Employees*
38

Ownership
100 percent

p.50

Petaquilla

Pre-Development
North-central Panama

Activity
Open pit copper mine and mill

Product(s)
Copper concentrate

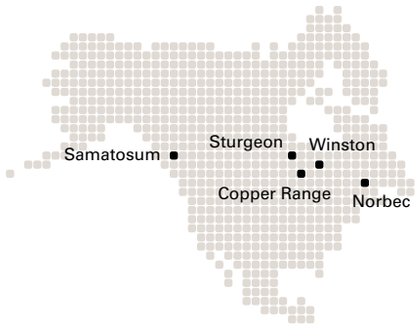
Employees*
–

Ownership
48 percent

p.51

* Number of direct, full-time employees at the respective locations as of December 31, 2007.

About Inmet (cont'd)



Closed Properties

	Location	Activity	Employees*	Ownership (percent)
Copper Range	Michigan, USA	Rehabilitation and monitoring	1 part time contractor	100
Norbec	Quebec, Canada	Rehabilitation and monitoring	2	100
Samatosum	British Columbia, Canada	Rehabilitation and monitoring	2	100
Sturgeon Lake	Ontario, Canada	Monitoring	1 part time contractor	100
Winston Lake	Ontario, Canada	Rehabilitation and monitoring	2	100

Offices

	Location	Activity	Employees*	Ownership (percent)
Marketing				
Inmet	Ankara, Turkey	Marketing	8	100
Corporate Headquarters				
Inmet Mining head office	Toronto, Canada	Executive, financial, administration	33	100

* Number of direct, full-time employees at the respective locations as of December 31, 2007.

Further information about the uses of the end products from our mining and their markets is available on our website at www.inmetmining.com/ourmarkets.

We produce copper, zinc and pyrite concentrates and gold from operations located in four continents around the world. Most of our copper and zinc concentrates are sold under long-term contracts to smelters and refineries for further processing into refined metals. We also sell concentrate on the spot market where the economic return is more volatile than in the long-term market. Approximately 64 percent of the gold produced at Troilus is sold as gold contained in copper concentrate; the remainder is gold doré (bullion). The gold bullion is toll-refined at facilities in Canada and sold in the market. We also sell pyrite under long-term contracts mainly to sulphuric acid producers in continental Europe.

Inmet's corporate strategy is to grow responsibly as a base metal mining company, providing superior returns to our shareholders. We introduced this strategy in 2000 and we continue:

- to focus on base metals, especially copper
- to grow in ways that benefit our company and shareholders and other communities of interest
- to manage the challenges of growing into a larger company.

We have a history of successful acquisitions and a culture centered on disciplined growth. We intend to build on these strengths and maintain this culture as we grow.

We have over 20 years of experience in base metal mining and milling, and global expertise in operating underground and open pit mines and mills safely, responsibly and cost-effectively, generating maximum value for shareholders. Inmet Mining's common shares are publicly traded on the Toronto Stock Exchange under the stock symbol IMN.

About this report

More detailed financial information can be found in our Annual Review 2007 available on our website at www.inmetmining.com.

We produce this sustainability report to give our shareholders, employees, people in the communities where we operate and other stakeholders a better understanding of how we manage our operational safety, environmental and social risks, and to indicate how we're evolving and improving our corporate responsibility and risk management systems and performance. This report covers the period January 1 to December 31, 2007. In general, five years of performance data have also been included to facilitate tracking of performance trends.

We measure our performance using indicators from: (i) the Mining Association of Canada's Towards Sustainable Mining initiative (TSM), (ii) ourselves, and (iii) the 2006 Sustainability Reporting Guidelines (G3) published by the Global Reporting Initiative (GRI), including its pilot Metals and Mining Sector Supplement. You can find more information about GRI at www.globalreporting.org and about TSM at www.mining.ca/www/. Performance results against our company and GRI indicators start on p. 60. Our 2007 TSM results are summarized on p. 59. Complete TSM results are available at www.mining.ca/www/.

We have included indicators from the Global Reporting Initiative in this report. We continue to report on our own internal indicators and the TSM indicators since they also help us improve performance.

Our past GRI reporting was based on the 2002 reporting framework. In our 2006 sustainability report we indicated that we were evaluating the next generation framework, G3. Our review determined that G3 is a substantial improvement over the previous framework and the revised indicators can help our operations improve their responsibility performance. We have therefore adopted the G3 framework for this report. The changes to our report this year reflect our selection of those G3 indicators that we deem material to our business and our communities. We continue to report on our own internal indicators and the TSM indicators since they also help us improve performance. We did not close any of our active mines in 2007 and we continue to report on our five closed sites.

Our GRI Index is posted on our website at www.inmetmining.com and has been included beginning on p. 56 of this report.

Inmet Mining Corporation self-declares that this report fulfills the requirements for a level B in accordance with the criteria set by the Global Reporting Initiative under the G3 framework. The Technical Protocols, Indicator Protocols and the Mining Sector Supplement (G2) guided the development of this report. GRI has not verified the contents of this report, nor does it take a position on the reliability of information reported herein.

This report includes performance information about each of the operating and closed sites in which we are involved (see p. 09 and 10), regardless of the extent of ownership. Some qualitative information about our sites under exploration, development and pre-development is also provided. As in past years, we are including Ok Tedi, of which we own 18 percent, in our performance indicator reporting on a 100 percent basis. As a result, these numbers may not agree with information contained in our Annual Review 2007. As a stand-alone company, Ok Tedi has its own policies, codes and standards to which it adheres. The Ok Tedi sustainability commitments can be found at www.oktedi.com/sustainable. Ok Tedi produces its own detailed annual report which can be found on the Ok Tedi website at www.oktedi.com.

About this report (cont'd)

Conducting a safety equipment inspection at Pyhäsalmi.

Detailed indicator information is also provided about Las Cruces and Cerattepe, our development properties under construction. Although we provide a narrative description of activities at Petaquilla, indicator information about this project, which is at an early, pre-development (greenfield) stage, is not available.

Data for the indicators are collected and compiled using information from a standard template that each operation (including Ok Tedi) completes and returns to our head office in Toronto. Operations are asked to explain significant deviations in year-over-year trends and any challenges in meeting performance targets. The blank data template sent to the sites is accompanied by protocols and criteria for G3 and TSM, as well as a greenhouse gas emission worksheet provided by the Mining Association of Canada. We use published emissions factors to calculate greenhouse gas emissions from grid electricity in each country where we operate. Safety and environmental incident definitions have been previously provided to all operations to ensure consistency of reporting. Unless otherwise indicated, monetary amounts are in Canadian dollars ($) throughout the report.

Our data are generally disaggregated to the operations level, since that is the level on which we operate our business. In addition, we have provided corporate totals for several key performance indicators that we use on an ongoing basis to manage the day-to-day safety, environmental and community affairs aspects of our business.

Because our operations are often connected to community water, sewer and electricity supplies, much of our performance data for water and energy come from the metered quantities shown on utility bills. Data for other indicators are estimated or measured. Where we have installed our own transmission systems by connecting to power from the nearest point on regional electrical grids, our report includes performance data for these systems. We do not generate our own power at any of our majority-owned operations, with the exception of diesel backup generators which can be used in the event of a power failure on the electrical grid. Ok Tedi generates its own hydroelectric and diesel-generated power.

SECA data compilation assistance and verification are carried out by head office staff. The Mining Association of Canada requires external verification of TSM indicator self-assessments every three years. The first TSM verification was performed on our 2006 self-assessed results. Our annual consolidated financial statements are audited externally.

Determining materiality

We select SECA-related indicators based on their materiality to us. To determine materiality, our SECA staff applies its experience, knowledge and judgment using the following criteria:

- affect on employee or contractor safety and health
- affect on profitability
- ability to meet regulations
- affect on corporate reputation
- environmental impact
- impact on local communities
- concerns expressed by external stakeholders and society in general

Material indicators

The indicators determined by Inmet to be material in 2007 include (see Performance Data section beginning on p. 55 for results):

TSM Indicators

Tailings Management
Crisis Management/Emergency Preparedness and Response
Community Engagement and Dialogue
Energy and Greenhouse Gas (GHG) Management

Company Indicators

Number of environmental regulatory inspections
Number of environmental review findings by operation
Amounts reported under Canadian National Pollutant Release Inventory (Troilus)
Number of formal community meetings
Number of formal safety meetings
Number of workplace inspections
Number of job safety analyses performed and documented

GRI G3

EC1	Direct economic value generated
EC4	Significant financial assistance from government
EC6	Policy, practices, and proportion of spending on locally-based suppliers
EC7	Procedures for local hiring and proportion of senior management from local community
EN3	Direct energy consumption
EN4	Indirect energy consumption
EN8	Total water withdrawal by source
EN9	Water sources significantly affected by withdrawal of water
EN10	Percentage and total volume of water recycled and reused
EN11	Location and size of land in or adjacent to protected areas, areas of high biodiversity value outside protected areas
EN14	Strategies, actions and plans for managing impacts on biodiversity
EN16	Total direct and indirect greenhouse gas emissions
EN18	Initiatives to reduce GHGs and reductions achieved
EN21	Total water discharge by quality and destination
EN22	Total waste by type and disposal method
EN23	Number and volume of significant spills
EN28	Value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations
EN30	Total environmental protection expenditures and investments by type
HR4	Total incidents of discrimination and actions taken
PR9	Value of significant fines for non-compliance with laws and regulations on the provision and use of products and services
SO1	Nature, scope and effectiveness of programs and practices that assess and manage impacts of operations on communities, including entering, operating and exiting
SO5	Public policy positions and participation in public policy development and lobbying
SO8	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with laws and regulations
LA1	Total workforce by employment type
LA4	Percentage of employees covered by collective bargaining agreements
LA6	Percentage of workforce represented in formal joint management-worker health and safety committees
LA7	Rates of injury, occupational diseases, lost days and number of fatalities
LA10	Average hours of training per year per employee per employee category
MM6	Approach to management of overburden, rock, tailings and sludges/residues
MM9	Resettlement policies and activities
MM10	Number or percentage of operations with closure plans in place, covering social, environmental and economic aspects
MM12	Systems for identifying, preparing for, and responding to emergency situations affecting employees, communities or the environment
MM13	Number of new cases of occupational disease by type. Programs to prevent and reduce occupational disease.

Section 3

Our approach to responsible mining

Surveying the Samatosum tailings pond and inspecting the water cover, installed to protect the nearby trout stream.

Inmet recognizes that to be successful, we must integrate sustainability considerations into all of our business activities. We must mine responsibly and grow in the same way. Achieving sustainability to us means mining responsibly.

Our commitments to communities

The Awashish family and François Biron, our Troilus Managing Director, during a dedication ceremony to the memory of Sam Awashish. The Troilus mine is located on part of the Awashish family traditional land.

All of our operations are required to have plans for community engagement and to report on the number of community meetings held each year.

We are in business to produce metal concentrates cost-effectively. Essential to our success is our responsibility and ability to build and maintain open, respectful and mutually beneficial relationships with the people, communities and organizations that we affect.

Our communities

Personnel at each of our sites and offices identifies the communities that are affected by that location's operation and business. These are typically the communities located closest to the operation. In turn, the communities help us identify others that should be added to our consultation lists.

Depending on the location and issue, Inmet's communities can include any or all of the following:

- Customers
- Employees
- Environmental non-governmental organizations
- Indigenous peoples
- Industry associations
- Investors and shareholders
- Local communities
- Non-governmental organizations
- Regulators
- Suppliers and contractors

Our employees

We count on our employees to work safely and productively. In turn, we strive to treat our employees with respect, to provide fair wages and benefits, a safe workplace free of discrimination and an environment that allows them to freely express their concerns.

Communities affected by our operations

We know we must earn the right to operate from the communities that our operations affect. This is especially true in today's global business environment where communities are increasingly aware of and sensitive to the environmental and social impacts of natural resource extraction. We work to maintain ongoing consultations, to act on community concerns about our activities and to participate in local community improvement initiatives such as infrastructure projects or providing for the less-fortunate. We also make a special effort to work in partnership with indigenous peoples whose communities are affected by our activities. All of our operations are required to have plans for community engagement and to report on the number and nature of community meetings held each year.

Regulators

We maintain ongoing discussions with regulatory authorities to not only obtain and retain operating permits and to meet all regulatory requirements, but also to keep them informed about issues or incidents. We work collaboratively with them to identify and address health, safety and environmental issues related to our operations.

Industry, suppliers and contractors

We work with other members of our industry to identify and address social responsibility matters through memberships in industry associations, including the Mining Association of Canada (MAC) and its TSM initiative and mining and industry associations in other jurisdictions where we operate. Our Vice-President, Safety, Environmental and Community Affairs is a member of both the MAC Board and the TSM Governance Team, an oversight committee of industry senior executives.

Contractors are an important part of our business and we work hard to create and foster open, respectful and mutually beneficial relationships with them. One of the most important commitments we make to our contractors is to treat them the same way we do our employees regarding their safety and health. We hold contractors to the same high standard as we do our own employees and we hold them accountable for their performance.

Our commitments to communities (cont'd)

Children at tree planting school at Las Cruces.

Seeking input from our stakeholders

We solicit feedback from our communities through a number of different means including visits to our mines, and dialogue sessions in the communities affected by our operations. Complaints from our neighbours are generally received through direct contact or through phone calls to the operation. These are handled in a formal way at all of our operations to ensure concerns are properly investigated and addressed. We provide examples throughout this report of issues that have been raised and how we have addressed them.

We interact with suppliers and contractors to ensure that they are aware of their obligations when working at our sites, including compliance with our SECA Standards. Our Leadership Charter and Code of Business Conduct and Ethics guides our behaviour with suppliers, contractors and customers.

We communicate with investors and analysts on an ongoing basis through regular webcast conference calls, investor conferences, our annual and quarterly reports, other disclosure documents, annual Sustainability Reports and our Annual General Meeting (AGM). Investors can also reach us through our investor relations phone line and email address.

Our Ethics Hotline enables employees to file reports confidentially regarding Inmet's Code of Business Conduct and Ethics. The Hotline is operated by a third-party service provider that helps ensure confidentiality. Concerns and questions are addressed by the appropriate senior manager and all reports are communicated on at least a quarterly basis to the Corporate Governance and Nominating Committee of Inmet's Board of Directors.

Values in action – new corporate Stakeholder Panel

In 2007, we convened an inaugural Stakeholder Panel. A small group of stakeholders was invited to discuss Inmet's strategic SECA objectives. The dialogue was supported by a series of introductory telephone calls with stakeholder participants. Representatives were selected from industry, environmental non-governmental and governance organizations, the mining industry, sustainability experts, and investor communities. In addition, the group included our President and Chief Operating Officer and Vice-President, SECA. The dialogue formed part of our process of renewal of our strategic sustainability objectives, which has also included consultations with site employees, senior management, the Inmet Board, together with a review of community priorities at Inmet operations.

Inmet's approach to sustainability and particular sustainability issues were discussed. Representatives also sought to understand the nature of barriers to the implementation of corporate responsibility at Inmet. Group discussion was facilitated by a third party consultant.

We found the Stakeholder Panel input to be very helpful and we will continue to involve the Panel in our discussions going forward. We look forward to reporting on further developments in our 2008 report.

Values in action – participation in the Devonshire Initiative

Inmet is a charter and working group member of the Devonshire Initiative (DI). The DI was launched by the Munk Centre for International Studies at the University of Toronto in March 2007. It grew out of multistakeholder National Corporate Social Responsibility Roundtables convened by the Canadian government to address corporate social responsibility by the Canadian extractive industry in developing countries.

The Roundtables highlighted the polarized and unproductive nature of the relationship between the extractive sector and a small segment of non-governmental organizations (NGO). To overcome this polarization and move towards productive, on-the-ground solutions to issues of mutual concern, development NGOs and some industry members have come together in a new dialogue that could see both sides working together in developing countries to achieve mutual objectives. This is an exciting opportunity and we are fully committed to the DI process.

Responsible mining framework

Underground equipment inspection and maintenance at Pyhäsalmi. Preventive maintenance helps us improve our safety, environmental and production performance.

Responsible mining is a joint responsibility of our head office and our operations. Management personnel at head office and at our operations implement policies, systems and standards, and assess and report on performance and results. Overseeing all our activities is the Board of Directors. Of our eight Board members, seven are independent. We do not currently have any female representatives on our Board.

Four Board Committees assist the Board of Directors with its oversight responsibilities: Safety, Environmental and Community Affairs; Compensation; Audit; and Corporate Governance and Nominating. The committees meet regularly with management present to ensure that key issues are being appropriately managed and to discuss our path forward.

Additional Board and/or Board Committee meetings are convened as needed to address special circumstances. For example, a special Board meeting was convened to review the circumstances and follow-up actions stemming from the June, 2007 contractor fatality at Çayeli (see p. 22).

Safety, Environmental and Community Affairs (SECA) Committee

The SECA Committee is responsible for reviewing our safety, health, environmental and community affairs policies and programs, reviewing the SECA performance of our operations and making recommendations to management and the board on issues the committee identifies in its reviews.

In 2007 the key SECA risk areas discussed included:

- The evolving influence of communities in mine development
- Deep sea tailings placement
- Çayeli fatality follow-up
- Operational fire prevention activities

Compensation Committee

The Compensation Committee oversees Inmet's efforts to recruit, retain and motivate employees. The committee is responsible for making recommendations to the Board on the compensation of our senior executives, and incentive compensation plans for them and for other employees. From time to time, the committee seeks advice from compensation consultants to assess the appropriateness of our compensation practices.

Audit Committee

The Audit Committee oversees the quality, integrity and appropriateness of our financial reporting and of our systems of internal control for finance, accounting and ethics, as well as the quality, performance and independence of our external auditors and our compliance with legal and regulatory requirements.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for reviewing corporate governance practices generally, monitoring Board composition, assessing the effectiveness of the Board and individual directors, overseeing compliance with the code of business conduct and ethics, reviewing and making recommendations about directors and recruiting appropriate candidates to serve on the Inmet Board of Directors.

Responsible mining management

More information about the Board of Directors and responsibilities of the Board Committees can be found in our 2007 management proxy circular available on our website at www.inmetmining.com/investorsmedia/financialotherreports/annualreports or at www.sedar.com.

Responsible mining management at Inmet

The SECA Department at our head office, led by our Vice-President, Safety, Environmental and Community Affairs, is responsible for overseeing the integration of sustainability considerations into our operations and decision-making.

Charters, Policies, Codes and Standards

Our Leadership Charter, Code of Business Conduct and Ethics, Statement of Expectations of our Directors, Disclosure Policy, Mine Waste Management Policy and SECA Standards guide our behaviours.

Our Leadership Charter lists 12 leadership principles that we expect all of our employees to follow. These principles apply to their interactions with other employees, our communities, shareholders and all other stakeholders. (Ok Tedi Mining Limited has its own charter which may be viewed at www.oktedi.com/aboutus/otmlCharter.php).

Our Code of Business Conduct and Ethics contains rules and guidelines for ethical behaviour and affirms our commitment to observing the highest standards of honesty and integrity.

Aerial view of the plant construction at Las Cruces.

More information about our charters and policies can be found in the governance section of our website (www.inmetmining.com/governance/charterspolicies)

Principles of our Leadership Charter

- Ensure a safe and healthy working environment and demonstrate safe working practices.
- Within the framework of our strategy, develop and communicate objectives.
- Regularly assess the achievability of our objectives and predict the outcomes.
- Deliver the predicted outcomes and thus deliver superior returns to our shareholders.
- Identify, evaluate and mitigate risk in all aspects of our business.
- Make decisions in a disciplined and timely manner.
- Act transparently and ethically.
- Be accountable for our actions.
- Demonstrate social and environmental responsibility in what we do.
- Clearly communicate in a way that promotes informed decision making.
- Consult and listen to others.
- Treat others fairly and respectfully.

Responsible mining management (cont'd)

The Statement of Expectations for our Directors describes the six attributes that we expect each Director to demonstrate in carrying out his or her duties and responsibilities while serving on our board.

Our Disclosure Policy sets out our policy for producing and disseminating timely, accurate and balanced disclosure of all material information relating to Inmet.

Our Mine Waste Management Policy describes our commitment to manage waste rock, tailings and mine water responsibly.

The SECA Standards build on the values in our Leadership Charter and describe the minimum level of management system components and tools that we expect each majority-owned operation to have in place.

Systems and tools

Our head office and operations share the accountability for mining responsibly. Every operation is expected to meet our minimum SECA criteria and Standards for safe, responsible operation. Meeting these requirements in a manner appropriate to the geographic regions, regulatory regimes and cultures in which it is located is the responsibility of the individual operation.

In addition to our corporate health and safety and environmental management systems requirements, two of our operations, Pyhäsalmi and Las Cruces, were certified to ISO 14001. Pyhäsalmi also became OHSAS 18001 certified in 2007.

SECA Criteria

Health & Safety
• Policies and procedures
• Management systems
• Tools for measuring and reporting performance

Environmental Management
• Policies and procedures
• Management systems
• Tools for measuring and reporting performance

Community Affairs
• Community engagement and dialogue plans
• Community response system

SECA Standards

SECA Standards are living documents that address key areas of safety, environment and community affairs risk. They represent the minimum level of management systems and tools that apply to all of our majority-owned operations. The Standards are generally based on North American and European Union regulatory requirements and incorporate international good mining practice and responsible risk management. Contractors are also expected to comply with the Standards.

The Standards were formally introduced in mid-2007. In 2008 each operation will develop an implementation plan to ensure that all of the Standards will be met within a reasonable timeframe. Twelve standards apply to all SECA functions. In addition, eleven further standards specifically address occupational health and safety, five supplementary standards are for environmental protection and another three address community affairs.

You can find more information about our policies and standards, including the SECA Standards, in the sustainability section of our website (www.inmetmining.com/sustainability/policiesstandards) under policies and standards.

Enterprise Risk Management

Our enterprise risk management (ERM) system is another important instrument in our sustainability toolbox, available to the head office and all operations. ERM assesses the risks of different business functions in a consistent manner and each risk is measured against our four core values. In 2007, the main risk management concerns related to responsible mining included:

- employee and contractor safety
- challenges of developing relationships with communities affected by development projects and of gaining the community trust needed to earn the social license to operate
- impacts of our operations on the environment
- rising costs of new project development, in particular costs related to mine waste and water management.

Responsible mining management (cont'd)

High angle rescue training at the Troilus open pit is part of the site's emergency preparedness and response plan (EPRP).

Following the development of an ERM policy and standard in 2006, during 2007 we continued to train employees and encourage the use of ERM throughout the organization. We will continue to train new employees in our ERM system to ensure knowledge is disseminated throughout the company. By using our risk management framework and other risk management tools we address the concepts embodied by the precautionary principle.

Objectives and Targets

We set company-wide annual objectives that address financial performance, growth and safety performance. Our head office SECA group also establishes annual, company-wide SECA objectives to be met by each operation. Each operation also develops its own targets that reflect site-specific issues. In 2007 we renewed our five-year strategic SECA objectives and targets. Each year going forward we will develop annual objectives that reflect and help achieve the five-year objectives and targets. Our 2007 performance against the targets and our 2008 and five year SECA objectives and targets can be found on p. 06 and 07, respectively. Each operation's management is held accountable for meeting their specific targets. The performance of each operation against its specific targets is reported under Our operations and their communities beginning on p. 31.

SECA Audits

Each majority-owned operation is audited for compliance with safety and health or environmental regulatory requirements, company policies and standards and mining industry good practices (such as Mining Association of Canada protocols), typically on an annual basis. Audits are performed by third-party consultants who are selected in a competitive bidding process. These audits are overseen by one representative from head office. In 2007, a safety and health audit was carried out at Troilus and an environmental audit at Çayeli. Audit results are reported in the Performance Overview Data section on p. 60. After audits are complete, corrective action plans are prepared and implemented by the operations.

Section 4

Performance on our core values

Mine rescue team training at Çayeli.

We track our performance for each of our core values. The key 2007 results for our SECA values are highlighted in the following pages. Further information about our performance may be found in the *Our operations and their communities* and *Performance data* sections beginning on pages 31 and 55, respectively and in our 2007 Annual Review, downloadable from www.inmetmining.com.

Operate safely

Samatosum Division operator Jim Lewko receiving live fire training with local fire response personnel. The site has been within or adjacent to a number of forest fires in the past five years. Our crew has worked to coordinate with local businesses on communication, fire reporting and response since 2005.

Every employee, contractor and visitor is responsible for their safety and for that of their colleagues. In addition, each senior management, site management and safety management employee is accountable for ensuring that all of our employees, contractors and visitors return home safely from our operations.

Our safety and health management systems are designed to prevent accidents, injuries and occupational diseases. Everyone working for us is expected to think about the risks of their tasks before they begin work so that incidents and injuries can be anticipated and prevented. Training programs and management teams work to ensure that safety is always taken seriously.

Our overall safety and health performance was good and we made progress in several leading indicators, such as safety inspections and trailing indicators, such as lost time incidents. We continue to build safety awareness throughout the organization and to improve our safety systems.

2007 accomplishments and disappointments

Çayeli

At our Çayeli mine on June 25, 2007, Mr. Leszek Mulawka, a Polish national employed by a Polish contractor, inadvertently stepped into an underground hole connecting different mine levels and fell to his death. The contractor company had been working at Çayeli for the past four years to extend the existing mine shaft. We immediately initiated a review of the conditions leading to the fatality and have since taken steps to prevent similar fatalities in future.

We immediately initiated a review of the conditions leading to the fatality and have since taken many steps to prevent similar fatalities in future.

Steps we took following the fatality:

1. Immediately ceased the work, recovered Mr. Mulawka, dispatched senior site personnel to Poland to meet with the family and senior corporate personnel to the site to inspect and investigate.
2. Initiated and completed a third-party investigation of the circumstances leading to the fatality. The investigation found deficiencies in contractor management and in how we managed hazards related to working at heights.
3. Developed and implemented an action plan with all parties to safely resume work. The plan incorporated improved interim procedures for working at heights at Çayeli, pending the outcome of a more thorough review of safety practices at all sites.
4. Observed and assessed the contractor's safety practices to ensure remedial measures were adopted before authorizing a full return to work.
5. Briefed our Board of Directors on the fatality, its causes and our actions to prevent a recurrence.
6. Convened our Safety Task Force to review the fatality and investigation, retained third party consultants to assess fall hazards and site control at all Inmet sites and shared examples of their findings and recommendations for improvements.
7. Improved safety training at all Inmet sites.
8. Established a company-wide High Consequence Protocol Work Group (HCP) to focus on Working at Heights and seven other hazard areas and initiated a program of periodic site assessments on progress and improvements by senior management. The Work Group consists of both operations and safety professionals.
9. Established a process to ensure that the Safety Task Force continues to discuss and track progress on company-wide implementation of High Consequence Protocols Standards and Guidelines.

Operate safely (cont'd)

Another safety issue arose at Çayeli. A paste-fill barricade failure was triggered by a sizable fall of ground within the mine opening behind the barricade, leading to a sudden increase in pressure on the barricade which exceeded its strength. No one was injured in this incident. A thorough review of the barricade design, installation and filling process confirmed that all site procedures had been met. We have taken additional steps to evaluate when falls of ground might be expected and have extended the protection area around such structures to prevent personnel from entering the area when barricade filling is underway.

Las Cruces

Our safety performance was poor due to 16 contractor lost time injuries (LTI) at Las Cruces. Improved measures were put in place to mentor and observe workers on safe work practices and safety hazard identification. This led to an LTI-free fourth quarter and, more importantly, to an improvement in safety culture. These results would not have been possible without the active and enthusiastic participation of our contractor partners.

Pyhäsalmi

Pyhäsalmi enjoyed the best lost time injury frequency (LTIF) performance in its 47-year history, with only one LTI and a rate of 0.5 injuries per 200,000 work hours. This reflects the implementation of improved safety management system tools over the past five years. We are proud of the entire Pyhäsalmi team for this accomplishment and expect further improvements based on the solid foundation it is building.

Troilus

Troilus operated with one lost time injury and considerably improved on its 2006 performance. The biennial Safety and Health audit at the site helped management focus its action plan for improving safety performance.

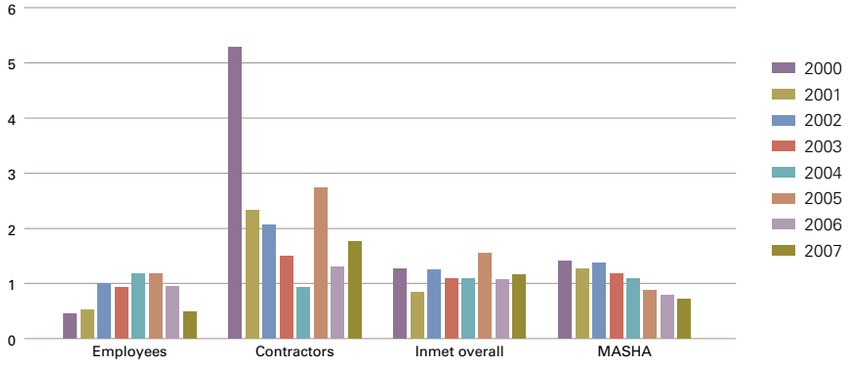
Company-wide

LTIF performance was generally good at all of our majority-owned operating locations. The company-wide LTIF increase of 7 percent compared to 2006 is a result of the 16 Las Cruces LTIs. Our total injury frequency (TIF) and disabling injury frequency (DIF) decreased 11 percent and 17 percent in 2007. As a result of the Çayeli fatality, unfortunately our incident severity increased considerably compared to our excellent 2006 performance.

Our total injury frequency and disabling injury frequency decreased by 11 percent and 17 percent in 2007.

As in past years, we benchmarked our LTIF against the Mines and Aggregates Health and Safety Association (MASHA), an Ontario mining industry safe workplace association. In 2007 MASHA recorded its fifth consecutive annual decline in LTIF, a considerable accomplishment. Our LTIF in 2007 was 1.2 injuries per 200,000 work hours compared to the MASHA rate of 0.7.

Lost time injury frequency without Ok Tedi



Operate safely (cont'd)

Ahmet Sandalci (right) and Sabri Altinoluk, both of Çayeli, receiving the inaugural President's Award for Safety.

The inaugural President's Award for Safety went to the maintenance team at our Çayeli mine. This team of more than 100 mechanics, welders, electricians and instrumentation technicians has operated for five years without an LTI. They successfully developed and implemented a safety training program that has been adopted by the training department for delivery to other departments at Çayeli. We are proud of the high standards that they have met and of their leadership.

Corporate Safety Task Force

Our Safety Task Force includes Managing Directors and General Managers from our majority-owned operating mines, development properties and closed sites, along with head office staff. The STF remains a valuable forum to share successes and challenges, and continually assess and improve occupational health and field-based risk assessment tools and their use. We have increased our efforts to ensure that anyone who comes to our sites goes home safely and takes the safety message and tools home with them.

Occupational health

We continued our existing occupational health monitoring programs and also used our Safety Task Force to evaluate how our health surveillance programs can be improved. We are working to place more emphasis on identifying workplace exposures and assessing whether the existing monitoring programs need improvement to properly address the exposure risks. Our primary occupational health exposures include noise, diesel particulate matter (particles produced by the combustion of diesel fuel in our underground mines), and some chemicals that are used in our copper, zinc, gold and pyrite production processes.

We have committed to improving on our occupational health systems in 2008 and will use our established site monitoring programs as a starting point. Currently we conduct the following monitoring at the sites:

- Ventilation monitoring to ensure there is adequate fresh air circulation
- Air quality monitoring for substances such as oxygen, carbon monoxide and sulphur dioxide, hydrogen sulphide, nitrogen oxides
- Dust monitoring
- Noise monitoring

Protect the environment

Our Leadership Charter, Code of Business Conduct and Ethics, guidelines, policies and SECA Standards guide us in respecting and protecting the environment.

From exploration through active mining to mine closure, we work hard to minimize the impacts of our mining activities on the environment and to rehabilitate affected areas. Our Leadership Charter, Code of Business Conduct and Ethics, guidelines, policies and SECA Standards guide us in respecting and protecting the environment. All employees and contractors are expected to understand and act in accordance with company and regulatory compliance requirements and to report unacceptable practices to management.

Our overall environmental performance was good and we continued to increase awareness, particularly at Las Cruces. This increased environmental awareness was demonstrated by the number of small petroleum spills reported by our contractors.

2007 accomplishments and disappointments

Cerattepe

Permitting uncertainty continues at Cerattepe as a result of legal challenges filed against the Ministry of Environment and Forests by a local non-governmental organization. Such actions have become a common aspect of developing mining projects worldwide and we continue to engage with local communities and government authorities to clearly and transparently communicate our plans and to listen to their concerns. Construction and development activities continued at Cerattepe for those elements of the project that have received the necessary approvals.

Students helping each other plant a tree at Las Cruces.

Las Cruces

Las Cruces experienced a significant increase in spill frequency related to hydraulic hose failures on heavy equipment early in 2007. While these spills were not reportable under Spanish law, Inmet policy requires reporting of all such incidents to our head office. Las Cruces established a spill team to investigate root causes and increase spill prevention awareness. As a result, spill frequency declined dramatically throughout the remainder of 2007. We expect to see this trend continue in 2008.

Ok Tedi

The sulphide ore at Ok Tedi produces tailings that acidify when they contact oxygen and water in the environment and can potentially result in the release of metals that can in turn affect plants and animals. In 2007 construction began on a project to remove pyrite (sulphide-containing mineral) from the mill tailings and to permanently and safely store it. This sulphide removal plant is expected to significantly lower the sulphur content of waste materials and greatly reduce the longer term impacts associated with acid rock drainage. The estimated capital cost for this environmental mine waste project is US $170 million.

Pyhäsalmi

Pyhäsalmi received its environmental operating permit under Finland's Environmental Protection Act and is working diligently to comply with it. The permit incorporates the European Union Integrated Pollution Prevention and Control Directive and addresses all aspects of the mine operation from the production phase through closure and after-care. As anticipated in our previous sustainability reports, the permit contains quantitative emission limits for various environmental media and requirements to conduct studies aimed at increasing our knowledge about the impacts our operations may be having on the local environment. For instance, we will be undertaking a study of the Lake Pyhäjärvi area to evaluate the impact of our effluent discharge on the lake ecosystem as well as an evaluation of ground water and tailings seepage. We are supportive of these requirements, as they will help us increase our knowledge and provide clear indications as to where we should focus our improvement efforts.

Protect the environment (cont'd)

Environment Technician Fabien Gaudreault taking a water quality sample at Troilus.

We value our relationship with our Cree and other neighbours and strive to maintain an open and transparent relationship with them.

Troilus

Troilus received two Notices of Violation (NOV) from the Province of Quebec in 2007. The first NOV resulted from four issues identified during an October, 2006 regulatory inspection. As a result of staffing changes, we were slow to take action and the Province issued a second NOV for essentially the same four issues. Troilus responded with a clear action plan to address the issues and continues to work with the authorities to implement the required actions. Late in 2007 we had two permit exceedances and failed to take a required sample for toxicity testing. The permit exceedances related to elevated concentrations of total suspended solids and iron in effluent. Troilus is working hard to improve its compliance record.

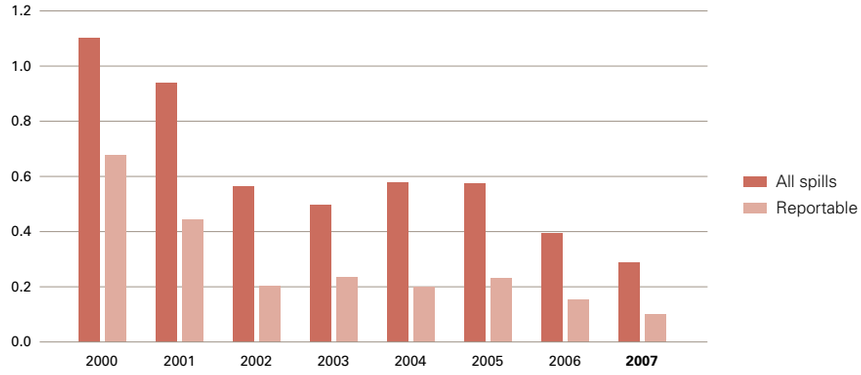
During an annual fishing expedition with our Cree neighbours, Troilus identified elevated benzene levels in samples of two fish species at Lac A near its facility. We responded by quickly issuing a fish consumption advisory to our Cree neighbours and provided information about the issue. At the time we did not know the source of the benzene. Fortunately, the fish in question are not consumed by the Cree. Subsequent work has demonstrated that Troilus is not the source of the benzene. We believe that our quick and open disclosure and cooperative follow-up has strengthened our relationship with the Cree. We value our relationship with our Cree and other neighbours and strive to maintain an open and transparent relationship with them.

Company-wide performance

A total of 55 environmental incidents, including spills and unplanned effluent releases, were reported across the company in 2007, 15 more than in 2006. Of the 55 incidents, 26 were spills of petroleum products from heavy equipment at Las Cruces. Of 55 incidents, 10 were reportable to regulatory authorities, based upon local requirements and our company reporting guidelines. This is a decrease of 33 percent from the 15 reportable incidents in 2006 and is the best performance in our history. Reductions in environmental incidents have been a continual focus of our SECA activities, and improvements have been achieved through increased awareness of environmental issues, coaching and training, and improved preventive maintenance practices to minimize the potential for hose failures on heavy mining equipment, particularly at Troilus.

To evaluate whether the steps we are taking to increase employee and contractor awareness are improving performance, we measure and track spill intensity (the number of spills per unit of production). The following graph illustrates spill intensity for our operating facilities over the past eight years. The graph illustrates the significant progress that has been achieved in improving this important aspect of our environmental performance.

Spills at majority-owned properties per 1,000 tonnes copper equivalent produced



Protect the environment (cont'd)

Aerial view of the large dredge reclaiming tailings from downstream of Ok Tedi.

In the 2007 process to renew our strategic SECA objectives we broadened our commitment to respond to global environmental issues by setting a five-year target of reducing our energy and greenhouse gas emissions intensity. To demonstrate our commitment we participated in the Carbon Disclosure Project (CDP) for the first time. The CDP is an independent not-for-profit organization aiming to create a lasting relationship between shareholders and corporations regarding the implications for shareholder value and commercial operations presented by climate change. Its goal is to facilitate a dialogue, supported by quality information, from which an appropriate response to climate change will emerge. The CDP represents institutional investors with combined assets of approximately $57 trillion under management. CDP requests information about greenhouse gas emissions, how these are being managed and what steps companies are taking to manage climate change risk in their business. More information can be found on the CDP website (www.cdproject.net).

All of our majority-owned operations have closure plans in place. These plans have been reviewed and approved by the appropriate regulatory authorities, except in Turkey, where regulations governing mine closure were only promulgated in late 2007. Thus our existing Çayeli closure plan has not yet been reviewed by regulators in Turkey. We completed an update to the Troilus closure plan and began an update of the Çayeli plan. The Troilus closure plan update helps us better understand the obligations that we will address when Troilus closes in 2010 and the steps necessary to safely secure the site.

Treat people and communities well

We consider the well-being of our employees and the communities where we work and live essential to our business.

Our Leadership Charter commits us to integrating social responsibility in what we do and to consult and listen to others. We consider the well-being of our employees and the communities where we work and live essential to our business. In 2007 we focussed on enhancing our community engagement in an effort to ensure productive and mutually beneficial relationships with the local communities affected by our operations. More information about our responsibilities to communities may be found in the *Our commitments to communities* and *Our operations and their communities* sections of this report beginning on pages 15 and 31, respectively.

We considerably advanced our community affairs efforts in 2007 by increasing the quantity and quality of dialogue and by hiring dedicated staff at two of our majority-owned operations.

2007 accomplishments and disappointments

Çayeli

At Çayeli, we continued to work with the Büyükdere Valley Housing Foundation, a trust fund established in 2005 to help provide local families in financial need with housing. In 2007 we contributed approximately $500,000 to the Foundation. In late 2007, Çayeli also took the important step of dedicating staff to community affairs issues (see profile on Yavuz Altay on p. 34).

Çayeli environment audit team during its pre-tour safety orientation.

Values in action – formalizing community affairs activities at Çayeli

Çayeli has been active in the communities around the mine since operations began in 1994. At first, most of our community engagement was intermittent and often lacked focus. Over the past several years, Çayeli has recognized the value of a comprehensive community affairs program focused on priorities identified by the communities. This culminated in 2007 with a strategic plan consisting of the following elements:

1. Community consultation,
2. Community education about our operation,
3. Tours of our operation,
4. Support for community priority initiatives, and
5. Support for the Büyükdere Valley Housing Foundation.

In 2007 we focused primarily on healthcare and education, the community priorities. Our contributions included:

1. Purchase of 16 fetal heart monitors for a child health project in the nearby City of Rize,
2. Purchase of seven breast milk pumps for the local community,
3. Donation of medical equipment and a new 330 kW backup power generator to the Çayeli State Hospital, and
4. Refurbishing of a local school and installation of computer labs in two schools.

In total, Çayeli contributed approximately $165,000 to local community priorities (over and above the Housing Foundation contributions) in 2007. Our community affairs program is evolving and we look forward to reporting on this in next year's sustainability report.

Treat people and communities well (cont'd)

Las Cruces

In response to increasing construction activity and visibility, we developed a formal community affairs program and hired dedicated staff to lead our efforts (see profile on Maria Bocarando on p. 48). This was a first for Inmet, and was a clear signal on our part of the importance of our communities to our business.

We also addressed concerns expressed by the La Algaba community by concluding an agreement with the community to support their priorities, such as construction of a seniors' centre. Las Cruces committed a total of approximately $725,000 to the community.

Troilus

As described in our previous sustainability reports, Troilus has an impact and benefit agreement with the local Cree of Mistissini. A Cree Coordinator is located on-site to listen to and address Cree employee issues. The Agreement includes an employment objective of 25 percent Cree. Cree employees made up 14.5 percent of workforce at the end of 2007. The Troilus Agreement is overseen by an Implementation Committee composed of Managers from Troilus, the Cree Coordinator, Leaders of the Cree Nation and a representative from our head office who meet to discuss issues pertaining to the relationship between the Cree and Troilus. In 2007 the Committee focussed on mine closure activities.

Freddie Mianscum's crew enjoy sharing the Supervisor's safety award for their safety achievement at Troilus.

Values in action – recognition for our Cree employees

In September, Freddie Mianscum, a Cree mine crew supervisor, was recognized by the Association Minière du Québec for his crew's achievement of 50,000 work hours (25 man years) without a lost time injury. Freddie is the first Cree to receive this award. Although the award is made to the individual supervisor, at Troilus the tradition is for the supervisors to share the award with the entire crew. We are proud of Freddie for his accomplishment, and of his crew for their dedication.

Cerattepe

We continued community consultations related to permitting issues regarding tree-cutting to allow construction of an aerial tramway to convey ore to the planned truck loading area.

Petaquilla

We committed to following the International Finance Corporation's Performance Standards (www.ifc.org/ifcext/enviro.nsf/content/performancestandards) to manage social and environmental risks during the social environmental impact assessment (SEIA) process.

We also initiated an extensive community consultation program to discuss the project and the benefits it will bring to Panama with local communities, governments, NGOs, church representatives and other stakeholders.

Company-wide performance

We did not progress as much as we had hoped in identifying opportunities to establish community-directed foundations at our active operations and at Las Cruces. We are working hard with the communities to ensure we are supporting the right things prior to committing to a specific course of action. As we better understand the priorities of our communities in the future we will be better able to identify such opportunities.

Treat people and communities well (cont'd)

Our President's Award winning representatives, Ahmet, Richard, Maria and Jyrki enjoyed some of the sights near Toronto prior to receiving the awards for Çayeli, Troilus, Las Cruces and Pyhäsalmi, respectively.

Our employees

We know that attracting, motivating and retaining a skilled and dedicated team is imperative for growing our company responsibly.

We made progress in our efforts to be an employer of choice by establishing the President's Award of Excellence for Safety. Our employees make the nominations and the award is presented at a ceremony in Toronto, Canada on an annual basis, along with the other three President's Awards, which are for innovation, teamwork and dedication.

We will collect employee feedback and measure the opinions of Inmet's employees in 2008 using a global pulse survey. The feedback will help guide us in understanding the health of our organization by assessing employee attitudes, perceptions and experiences about their job, their department and Inmet as a whole. The survey will allow us to monitor employee satisfaction and morale, identify strengths and weaknesses within the organization and guide the development of human resources programs and policies by highlighting areas that require targeted responses. In the meantime, we have established a Human Resources Task Force that meets twice monthly to identify and implement improved employee systems.

Make a profit

We are pleased to report that our efforts, coupled with strong commodity prices, contributed to excellent financial results in 2007. You can find the financial details in our 2007 Annual Review on our website at www.inmetmining.com.

Some key economic indicators can also be found in this report beginning on p. 63 and on the inside front cover of this report.

Section 5

Our operations and their communities

A year-end employee gathering at Las Cruces.

We work hard to maintain **open** and **transparent communications** about our activities with the communities affected by our operations.

Further details about each of our operations and their **performance** against **2007 SECA objectives** are provided in this section.

Çayeli

Çayeli is an underground **copper** and **zinc** mine located on the Black Sea coast of northeastern Turkey.

Type of mine	Underground
Ownership	100 percent
Inmet's gross sales	40 percent
Opened	1994
Expected closure	2016
Land owned	45 hectares
Land disturbed	17 hectares
Distance from nearest town	0.5 km from Madenli, Turkey and 8 km from Çayeli, Turkey.
Main activities in surrounding area	Agriculture, residential and small business.
Employees	465
Unionized employees	327
National employees	460
Female employees	24
Donations to the local community	$ 670,000
Proportion of spending locally[1]	34 percent (Rize area)
Methods of waste disposal	Deep sea tailings discharge at 275 metre depth in the Black Sea. Two small surface rock containment facilities.
Emergency Preparedness and Response Plan (EPRP)	Yes (consistent with MAC[2] guidelines).
Tailings management system	Tailings management system being improved to meet MAC TSM standards – some modifications may be necessary to apply to deep sea tailings disposal.
Tailings Operations, Maintenance and Surveillance (OMS) Manual	A manual applicable to deep sea tailings disposal is under development.

[1] Contributions to the local economy include the local purchase of goods and services, and total payroll (G3 Indicator EC6).

[2] MAC is the Mining Association of Canada.

View of the houses and apartments above Çayeli and built by the Büyükdere Valley Housing Foundation.

Ore is mined on-site and transported by truck a short distance to the mill. Most production is now below the 800 metre level. Since the mine is being developed vertically below ground, no significant change to the footprint of the operational facilities on surface is expected.

Çayeli's performance on our core values

Operate safely

As described earlier in this report, a fall claimed the life of a contractor employee on June 25, 2007. Comprehensive and prudent controls for working at heights have since been implemented at Çayeli and at all of our Inmet sites.

Çayeli had four LTIs in 2007, up from three in 2006. While the LTIF increased 47 percent to 0.7 injuries per 200,000 work hours, it remained below the company-wide LTIF and better than its long-term average.

Disabling injury frequency declined 23 percent due to a significant decrease in modified work cases. Total injury frequency declined 30 percent because of fewer injuries requiring medical aid and modified work. Incident severity increased markedly, reflecting the impact of 6,000 lost work days due to the fatality.

> A modified work injury occurs when a worker who is injured is able to return to work on his next scheduled shift, but is unable to resume his normal duties. In these situations the worker is assigned to other, less onerous work at the operation until he or she is able to resume normal work duties.

As described on p. 24, Çayeli's maintenance team won the first President's Award of Excellence for Safety in June 2007. The team's safety control systems and training programs have resulted in an excellent safety performance record of five years without an accident totalling more than 1.2 million safe work hours.

The safe operation of contractor equipment is a concern at the mine. A truck tanker delivering cement ruptured in September, fortunately not resulting in any injuries. The contractor's truck operator had mistakenly connected a high pressure air hose to accelerate the offloading process from a tanker. Further inspection also revealed wear in the tank. The contractor responded by instituting best practices in pressure vessel inspection and training and replacing two of four trucks with new ones. The contractor also committed to replacing the remaining two trucks in the near future.

A pastefill barricade failed in 2007 and fortunately did not result in any injuries. Çayeli has instituted measures to prevent personnel access to high risk filling locations while the pastefill cures.

Çayeli continued efforts to improve emergency preparedness and response by performing regular surface response and mine rescue simulations. Three fire drills performed during the year improved the skills and knowledge of responders and members of the Emergency Control Group. The simulations helped identify and address shortcomings in response plans and to improve emergency preparedness.

Çayeli is scheduled to complete another safety and health audit in 2008 as a follow up to the 2006 audit. Actions to address substantially all of the 57 items identified in the 2006 audit have been completed, including improvement to substandard ground control practices, improving underground signage and implementation of workplace nitrogen sampling.

Protect the environment

Çayeli did not report any environmental incidents in 2007. Progress was made on the Environmental Management and Procedures Manual originally scheduled for completion in 2007. The operation has committed to completing and implementing it in 2008. The closure plan update and closure cost estimate are nearing completion.

Çayeli's environmental regulatory compliance status was audited late in 2007. A number of issues identified in the 2005 audit remained unresolved in the 2007 audit. Under our audit ratings system, this automatically raises the significance of the issues. The most significant issues involve how surface water is managed at the site and the clarification of some apparently conflicting regulatory provisions related to the existing deep sea discharge permit. Site management and personnel have committed to expediting implementation of an action plan to address these audit findings. The action plan was finalized in February, 2008.

Treat people and communities well

Çayeli has close ties to the local community and has always communicated informally with local officials and other leaders in the community. As reported last year, the site committed to a program of ongoing and proactive community consultation. We are pleased to report that Çayeli was successful in improving community outreach and now plays a leading role in advancing community dialogue within our company.

Çayeli hosted both a press tour and a visit by local politicians, the first time local political leaders had toured the facility as a group. We received considerable positive feedback from both events, and they should serve as a good foundation to continually improve relationships. We intend to facilitate more tours in future.

Çayeli's performance on our core values (cont'd)

Site personnel have also been extremely active in sharing their experience in employee and contractor training with our other operations. We have trained 20 new miners for Çayeli and nearly two dozen for Cerattepe. We are pleased to report that this approach continues to benefit the operation and employee job satisfaction by providing more opportunities to learn and grow within existing roles.

Values in action – an update on the Büyükdere Valley Housing Foundation

At Çayeli, we continued to support the activities of the Büyükdere Valley Housing Foundation, a trust fund established in 2005 to help provide local families in financial need with housing. Since 2005, Çayeli has contributed approximately $950,000 to the Foundation. The Foundation is governed by a nine-person Board of Directors, consisting of the Mayor of Madenli, a District Representative, two elected heads of the neighbourhood and five employees from Çayeli. The Board meets on a monthly basis.

Applications for assistance are received by the Foundation and are prioritized according to need. Existing houses are evaluated structurally to determine whether they can be salvaged or need to be rebuilt. Information is then presented to the Board for a final decision on steps to be taken.

The Foundation undertakes four primary activities:

- Builds houses on Foundation land and grants these houses to people in need,
- Builds prefabricated houses on land owned by others and gives these houses to those people,
- Wholly or partially repairs and refurbishes houses belonging to people in need, and
- Donates construction materials when necessary.

In 2007 Foundation activities included:

- Building a house containing four flats and a prefabricated house on Foundation property for nine families
- Building a prefabricated house for people in need in the village of Seslidere
- Refurbishing the roofs of four dwellings in Maden District and one in Çamlica village,
- Beginning construction of an apartment building of 10 flats.

To date, the housing conditions of approximately 60 families in the area have been improved through the Foundation activities. We are proud of the work that the Foundation is undertaking to help those less fortunate. This is a concrete example of how we are responding to community priorities as one important element of our community affairs strategy company-wide.

Yavuz Altay (far left) serving çay (tea) during the opening ceremony of the Housing Foundation residences.

Yavuz Altay – Çayeli Manager of Community Affairs and Security

"Know the people" — that's the simple and effective message that guides Yavuz Altay, our Manager of Community Affairs and Security at Çayeli. "You face people and don't turn your back. You listen so you can hear what they are saying to you. You have to have courage and patience. If Inmet willingly and attentively sees benefit to working with the communities, then everyone will benefit."

Yavuz is a retired Staff Colonel of the Turkish Armed Forces. He studied teaching for four years in Turkey and Logistics Management for one year in Washington, DC. As a Staff Officer he worked on civil and community rehabilitation in southeastern Turkey.

As Çayeli's Manager of Security, Yavuz spent much of his time working with the community. He recognized early on that community matters can become security issues. In late 2007, Çayeli took the step of formally adding community affairs to Yavuz's responsibilities and job title. This was an important signal to our employees and the community alike of the importance Çayeli places on its role within the area. Yavuz is obviously passionate about his work, and we are grateful for his leadership.

Çayeli's performance relative to our targets

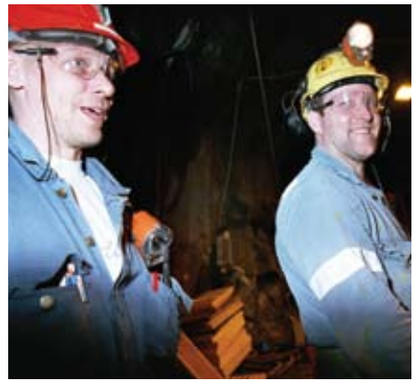
2007 Objectives	2007 Performance
1. Improve safety effectiveness by updating standard operating procedures on the basis of root cause analysis of incidents.	✘ Çayeli made improvements in its root cause analysis of incidents but did not progress as much as hoped in modifying standard operating procedures.
2. Continue to focus on contractor safety.	✘ The fatality uncovered weaknesses in our contractor management practices which we have worked to improve.
3. Begin removal of surface rock stockpiles back to the underground mine.	✔ Surface rock stockpiles are being used for backfill for the underground mine.
4. Implement a permanent solution to surface water drainage in the concrete plant/waste stockpile transfer area to eliminate potential discharges of sediments and heavy metals.	✔ Phase one of the surface water drainage control sump has been constructed in the concrete plant/waste stockpile transfer area to help eliminate potential discharges of sediments and heavy metals.
5. Formalize Çayeli's donation policy and procedures, targeting education and women's health in particular.	✔ Çayeli's donation policy and procedures have been updated; they target education and women's health in particular.

Participating in a session on women's health issues at Çayeli.

Pyhäsalmi

Pyhäsalmi is an underground **copper** and **zinc mine** located on Lake Pyhäjärvi in central Finland. It produces three types of concentrates: copper, zinc and pyrite.

Type of mine	Underground
Ownership	100 percent
Inmet's gross sales	25 percent
Opened	1962
Expected closure	2018
Land owned	442 hectares
Land disturbed	275 hectares
Distance from nearest town	0.5 km from Ruotanen, Finland and 4 km from Pyhäjärvi, Finland.
Main activities in surrounding area	Agriculture, small industry, residential and recreational.
Employees	212
Unionized employees	100 percent
National employees	212
Female employees	28
Donations to the local community	$ 53,000
Proportion of spending locally[1]	90 percent (within Finland)
Methods of waste disposal	Tailings disposal in one of three impoundments, all waste rock and 10 percent of tailings used underground for backfill.
Emergency Preparedness and Response Plan (EPRP)	Yes (not yet consistent with MAC[2] guidelines).
Tailings management system	Tailings management system being improved to meet MAC TSM standards – significant progress made in 2007.
Tailings Operations, Maintenance and Surveillance (OMS) Manual	A manual consistent to MAC standards is under development; significant progress was made in 2007.



At the drill site underground at our Pyhäsalmi mine.

Jyrki Pulsa (left), received the President's Award of Excellence this year. It was an important statement on the value Jyrki brings to Inmet and his service and commitment.

[1] Contributions to the local economy include the local purchase of goods and services, and total payroll (G3 Indicator EC6).

[2] MAC is the Mining Association of Canada.

Pyhäsalmi's performance on our core values

Pyhäsalmi continued to update safety management systems, resulting in dramatic improvements to safety statistics and continued improvements to leading safety indicators.

Operate safely

Pyhäsalmi's safety and health management system was certified under the Occupational Health and Safety Assessment System (OHSAS) 18001 standard.

Pyhäsalmi continued to update safety management systems, resulting in dramatic improvements to safety statistics and continued improvements to leading safety indicators. Protection training and systems were improved following a fall hazard assessment.

ELMERI, a workplace safety inspection system developed by the Finnish Institute of Occupational Health, continued to be used as the primary workplace inspection tool (access information on ELMERI at www.ttl.fi/Internet/English/Advisory+services/Occupational+Safety/). A staff member was appointed to ensure that ELMERI inspections occur monthly as planned and that corrective actions are implemented as needed.

Finnish and European Union law requires employers to assess the safety and health risks of certain workplaces. Pyhäsalmi made progress on this assessment work in 2007, part of a continuing process that will also help the operation train employees and contractors about how to do their jobs safely.

The 2007 safety performance was exemplary. Both LTIF and DIF decreased 83 percent and incident severity decreased 74 percent from 2006. TIF declined 45 percent year over year. Considerable emphasis was placed on improving contractor and employee safety by strengthening training. Contractor training increased to nearly one shift per contractor and employee training increased by more than 150 percent over the comparable 2006 values.

The number of safety meetings increased nine percent and workplace inspections increased 16 percent. Job safety analyses decreased by more than 50 percent in 2007 as the site completed its campaign of task-related risk assessments. The assessments will be reviewed periodically, when jobs change and as new jobs arise.

Pyhäsalmi also played an active role in the company Safety Task Force and HCP Workgroup.

Safe pump maintenance in the Pyhäsalmi shop.

Pyhäsalmi's performance on our core values (cont'd)

Protect the environment

Pyhäsalmi received its Environmental Permit from the regional environmental authorities late in 2007. The permit reflects the requirements of the Finnish Environmental Protection Act and many of the conditions contained within the permit were already being addressed. To meet the new conditions of the Environmental Permit, Pyhäsalmi will undertake further studies to better understand the groundwater hydrology around its tailings facility. This knowledge will help us design better measures to collect the water that seeps from the tailings area.

Pyhäsalmi also earned its ISO 14001 environmental certification in 2007.

The existing tailings management system used by Pyhäsalmi conforms to Finnish standards. The mill department is working with maintenance and environment departments to further improve tailings management by incorporating the guidance contained in the Mining Association of Canada tailings management documents. Pyhäsalmi began work on this improved system in 2007 and plans to complete it in the second quarter of 2008.

Pyhäsalmi had ten non-reportable spills of petroleum products from equipment in the underground mine in 2007, four more than in 2006. All of these spills occurred underground and the petroleum was captured in the milling process or by oil-water separators. The volume of petroleum spilled increased from 180 litres in 2006 to 2,272 litres in 2007 as a result of two large spills. The largest spill involved 800 litres of transmission oil that leaked from a faulty fuelling valve. All similar valves were subsequently changed and safety switches attached to prevent a recurrence. In another large spill, 600 litres of hydraulic oil spilled at the main underground crusher when a hose broke. The preventive maintenance system includes weekly and monthly checks to control the risk of hydraulic hose breaks.

Improvements achieved in water use and recycling

Pyhäsalmi achieved a water recycling rate of more than 20 percent in 2007, a significant accomplishment, especially considering the technical challenges involved. Pyhäsalmi has reduced its lake water consumption by five percent since last year and 12 percent over the past five years. The use of town water has also been reduced by nearly 12 percent. The total water recycling increase was two percent in 2007, part of a positive trend for a total recycling increase of 100 percent from five years ago. Pyhäsalmi's total water consumption represents less than five percent of the annual lake outflow.

The site continues to make efforts to recycle its solid wastes. In 2007, approximately 60 percent of its solid waste, mostly steel and wood, was recycled.

Treat people and communities well

Pyhäsalmi continued its active community outreach programs in 2007. Because the operation has a long history and is well-known in the region, there are many visits from schools and universities throughout Finland. In the spring we hosted a week-long training course for university geology students. Mining exploration activities and, as a result, employment opportunities have increased significantly in Finland with the robust prices for the commodities we produce.

As part of our Environmental Permit process Pyhäsalmi hosted a meeting and site tour with personnel from the environmental licensing office and the local environmental centre to discuss the new permit and the pending monitoring program.

On the lighter side, Pyhäsalmi is entering the Guinness Book of World Records as the site where the Finnish heavy metal band Agonizer gave the deepest underground concert ever.

Pyhäsalmi continued to update emergency preparedness and response systems and practices in 2007. The underground rescue team practices regularly and the first aid team meets and trains monthly. The first aid team also completed underground simulation training with self-contained-breathing apparatus. As reported last year, Pyhäsalmi has worked to better define its responsibilities and protocols during an emergency, especially when working and communicating with outside response teams. Its action plan to improve underground communication with the local Pyhäjärvi fire brigade is partially complete. Underground telephone access has been improved. In addition, opportunities for improving surface response team training and annual emergency response plan review and revision have been identified.

Pyhäsalmi's performance relative to our targets

2007 Objectives	2007 Performance
1. Zero lost time injuries.	✘ One lost time injury was recorded.
2. Continue to focus on contractor safety through improved training and supervision.	✔ Achieved improved contractor safety through improved training and supervision.
3. Perform joint risk assessments with contractors.	✔ Completed joint risk assessments with contractors.
4. Implement safety standards where needed based on risk assessments and the safety and health audit findings.	≈ Implemented approximately 70 percent of the safety audit action plan, including improved standards for working at height, confined space entry, energy isolation and lock-out and chemicals handling.
5. Obtain our environmental permit and successfully implement its requirements.	✔ We successfully obtained our environmental permit and began implementing its requirements.
6. Incorporate the operations, maintenance and surveillance manual as a part of our ISO 14001 system.	≈ Began to incorporate the tailings operations, maintenance and surveillance manual into our ISO 14001 system.

Troilus

Troilus is an open pit **gold** and **copper mine** in northwestern Quebec.

Type of mine	Open pit gold and copper
Ownership	100 percent
Inmet's gross sales	10 percent
Opened	1995
Expected closure	2010
Land owned	1,365 hectares
Land disturbed	737 hectares
Distance from nearest town	120 km north of Chibougamau, Quebec, Canada and 170 km northwest of Mistissini, Quebec, Canada.
Main activities in surrounding area	Recreational, wilderness, fishing, subsistence hunting.
Employees	256
Unionized employees	0
National employees	256
Female employees	13
Donations to the local community	$ 67,650
Proportion of spending locally[1]	21 percent
Methods of waste disposal	Tailings disposal in an engineered containment facility. Waste rock and overburden stored in surface containment facilities.
Emergency Preparedness and Response Plan (EPRP)	Yes (not yet consistent with MAC[2] guidelines).
Tailings management system	Tailings management system being improved to meet MAC TSM standards.
Tailings Operations, Maintenance and Surveillance (OMS) Manual	Manual under development to meet MAC TSM standards.

[1] Contributions to the local economy include the local purchase of goods and services, and total payroll (G3 Indicator EC6).

[2] MAC is the Mining Association of Canada.

Our Mine Rescue Team completing their high angle rescue training at our Troilus open pit.

Workers live on-site away from their families on two different shift schedules, either four days on/three days off, or seven days on/seven days off.

Approximately 15 percent of Troilus' employees are Cree. The mine is working diligently to increase that number through recruiting activities in the surrounding Cree communities of the region.

Ore is milled on-site and concentrate is transported by truck to the railhead in Chibougamau. Concentrate is shipped to Rouyn-Noranda, Québec for smelting.

Troilus' performance on our core values

Operate safely

Troilus' safety performance improved significantly once again in 2007. LTIF decreased 75 percent from 2006 and DIF decreased 72 percent. TIF decreased 62 percent, the result of decreases in medical aid, modified work and lost time injury cases. Injury severity declined by 65 percent year over year. One lost time injury was recorded because a haul truck operator injured his back when a flexible step ladder leading from a truck broke as he was descending. Contractor safety performance was excellent, with only one medical aid case reported during the year. Troilus attributes its 'Formule de Supervision' program for the continued improvement in safety performance (see *Values in action* below).

A safety and health compliance audit was performed in 2007 by representatives of the Association Minière du Québec (AMQ). The association offers this service to member companies. Audits are performed by AMQ staff and safety professionals from other mining operations. The audits are practical and objective and we find them to be of considerable value. The audit evaluated compliance with applicable safety legislation and regulations as well as prevention activities. Audit compliance findings were minor, including fire extinguishers which had not been verified on a monthly basis and a tool support located more than 3 mm away from a grinding wheel. These matters were corrected immediately. It was noted that Troilus did not have a complete inventory of the tasks that are performed at the site. This inventory has since been updated.

Values in action – new workplace tool to improve safety performance

The Formule de Supervision is a work site risk control system that helps a worker and their supervisor participate in four simple steps prior to starting work:

1. Inspect the work site
2. Plan and discuss the work
3. Decide on and agree to the work methods
4. Execute the work plan according to the agreed methods.

This system is similar to the risk-based approach developed by our Safety Task Force and focuses on helping all workers to complete a pre-work, field-based risk assessment. The most important element of the Troilus system is to inspect or stop and look at the work site to identify and assess hazards related to:

- equipment
- access
- site conditions
- materials
- other work or workers.

Troilus' emphasis in the past year has been to train its teams on the system. Safety cards have been introduced underground to complement the system. Troilus is now introducing the cards in the mill and maintenance departments, a first for open pit mines in Québec.

Troilus' performance on our core values (cont'd)

Troilus employees recognized for safety leadership

Eight Troilus employees were recognized by the AMQ for their safety leadership in 2007. This group includes:

Joey Audet (Mining Department) – 50,000 hours accident-free supervision
Paul Blanchette (Mill Maintenance) – 50,000 hours accident-free supervision
Yves Boutin (Lab) – 50,000 hours accident-free supervision
Freddie Mianscum (Mining Department) – 50,000 hours accident-free supervision (see p. 29)
Eric Steinmetzer (Mining Department) – 50,000 hours accident-free supervision
Regis Boivin (Mining Department) – 100,000 hours accident-free supervision
Alvin Fallu (Mechanical Maintenance) – 100,000 hours accident-free supervision
Robert Turgeon (Mill Department) – 100,000 hours accident-free supervision

We are very proud of the leadership demonstrated by these employees and we congratulate them and their respective crews.

Protect the environment

Troilus' environmental performance was mixed in 2007. Efforts to reduce petroleum spills from heavy mining equipment continued to produce significant improvements, as total petroleum spills decreased by 33 percent to twelve. Reportable petroleum spills declined 29 percent to five. Total and reportable petroleum spills have decreased 71 percent and 82 percent, respectively since 2000. This is a result of ongoing efforts to raise awareness of such incidents and of coaching efforts by all employees.

The improvement in the numbers of spills was marred by two Notices of Violation received from the Province of Quebec. Both notices related to issues that were identified in an October 2006 inspection. Four compliance issues were identified: concentrate spillage at the Chibougamau rail loading facility, petroleum contamination in a borrow pit, dust from the ore stockpile and an unapproved effluent discharge point. These issues have now been addressed. Contaminated soil at the concentrate loading facility was removed. The borrow pit contamination was caused by one of our contractors and we are in the process of investigating the extent and impact of the spillage and measures needed to prevent such incidents in future. We ceased discharging from the unapproved effluent point.

As noted in past sustainability reports, fugitive dust continues to be a challenge at Troilus. In November we installed and commissioned a new chute on the stockpile conveyor. The chute can be raised and lowered automatically according to the level of the stockpile, greatly reducing the potential for fine ore particles to be scattered by wind. We are hopeful that this investment will address our fugitive dust issues.

There were three violations of Troilus' permit conditions, all involving water being discharged to the environment. We exceeded the limit for total suspended solids in the settling pond effluent and the iron limit was exceeded in one of the tailings surface water seepage points. In November we inadvertently failed to perform a monthly toxicity sample. One hundred percent compliance is our goal and actions have been taken to prevent recurrences.

Work continues at Troilus on the action plan to address findings from the 2006 environmental audit. Of the 21 audit exceptions, 13 have been fully addressed, three are in progress and others are being addressed. Of the 23 management findings, 11 have been fully addressed, two are in progress and the remaining are being addressed. The exceptions relate to air emission (dust), waste management, spills and the emergency plan, tanks and fuel, and water management with the management findings related to these same environmental elements. The next audit is planned for summer 2008.

Troilus submitted an updated closure plan and cost estimate in May, 2007 to the Quebec Ministry of Natural Resources for approval. In general, the overall closure concepts did not change in the revised plan. However, costs to perform closure activities increased and the revised cost estimate submitted to the Province was $9 million, nearly double the amount estimated in 2002. Closure will focus on dismantling and removing all buildings and equipment, resloping and revegetation.

Treat people and communities well

Our dialogue with the Cree of Mistissini continued during 2007. The two meetings of the Troilus Agreement Implementation Committee (IC) primarily focused on mine closure and building job skills during the remaining mine life. We also continued to discuss the environmental performance of the site. The Troilus case study report regarding the Troilus impact and benefit agreement neared completion at the end of 2007, and we expect to work with the IC to complete the study by mid-2008.

Troilus' performance relative to our targets

2007 Objectives	2007 Performance
1. Develop and implement a formal community engagement and dialogue plan and hold at least one community meeting in Chibougamau and Mistissini.	✘ This target was not met. A formal plan was not developed and a meeting was not held in Chibougamau. We continued our dialogue with the Cree community.
2. Troilus will implement a Safety Card System to strengthen the risk-based training program (Formule de Supervision).	✔ The Safety Card System was implemented and in part resulted in an improvement in our outcome-based safety performance.
3. Complete full implementation of the tailings operations, maintenance and surveillance manual.	✘ This target was not met. We continue to work towards improving our tailings management system to meet the MAC requirements.

Leslie Awashish working with our Troilus environment department during a winter field survey.

Ok Tedi

Ok Tedi is an open pit **copper** and **gold mine** in the Star Mountains region of Papua New Guinea.

The mine's environmental and social impacts are alleviated by the benefits of delivery of healthcare, education and employment.

Inmet owns 18 percent of Ok Tedi Mining Limited (OTML), the entity that owns and operates the Ok Tedi mine. The other shareholders are the PNG Sustainable Development Program Company Limited (52 percent) and the Government of Papua New Guinea (PNG; 30 percent). OTML is governed by a board of directors comprised of three independent directors (one of whom is the chairman and another of whom is the managing director) and one director from each of the three shareholders.

The mine's environmental and social impacts are offset by the benefits of delivery of healthcare, education and employment, as well as dividends to the National Government and the PNG Sustainable Development Program Company, whose objective is to invest in projects to ensure a sustainable future for local residents and PNG as a whole. Ok Tedi invests considerable time and resources in striving to achieve its three main objectives:

- Ensuring the mine is economically viable,
- Ensuring the mine uses the best science possible to mitigate the environmental and health impacts of riverine mine waste disposal, and
- Helping to ensure a sustainable future for local residents living along the Ok Tedi and Fly Rivers.

Construction of the pyrite removal section of the mill at the Ok Tedi site.

Ok Tedi's performance on our core values

Close-up of the large dredge moving tailings from the river downstream of Ok Tedi.

Operate safely

Overall, safety performance at Ok Tedi remained good in 2007, although it slipped from the 2006 performance. Three lost time injuries were recorded and there were 17 disabling injuries. The LTIF of 0.1 injuries per 200,000 work hours was a 57 percent decrease (improvement) over the corresponding 2006 performance. DIF decreased one percent from 2006 and TIF increased 69 percent, mainly due to an increase in the number of medical aid cases reported. Ok Tedi management continues to work hard to reduce both lost time and disabling injuries.

Protect the environment

Ok Tedi made substantial progress in construction of the sulphur removal plant at the mill as part of a comprehensive mine waste management program to substantially reduce the risk of future acid drainage from the mine waste. As reported in our 2006 sustainability report, sulphur removal is a high priority because the ore that Ok Tedi intends to mine in the future will have higher sulphur content than the ore it has mined in the past. Acid drainage has appeared at the waste rock dumps, the dredge stockpile and on the riverbank levees. The new program, together with ongoing dredging at Bige and the addition of limestone to the waste rock, is designed to significantly mitigate the environmental impact of Ok Tedi's operations by reducing the amount of sulphide in the mill tailings that are currently discharged into the Ok Tedi River system. The sulphide concentrate produced at the mill will be transported by pipeline to permanent storage cells located beneath the groundwater table near Bige. This US $170 million capital expenditure project is scheduled to be commissioned in mid-2008.

Ok Tedi continued its dredging program at Bige to remove mine-derived sediment from the lower Ok Tedi. The dredging operation removed approximately 4.5 million cubic metres of sediment from the river in 2007, an amount considerably lower than previous years due to the time spent preparing the cells for storage of the pyrite concentrate.

Treat people and communities well

In 2007, Ok Tedi continued its mid-term review of the Community Mine Continuation Agreements (CMCAs). The CMCAs set out the level of compensation that is paid to local communities affected by the mining operation. On June 29, 2007 Ok Tedi signed a memorandum of agreement (MOA) with PNG Sustainable Development Program Company, the National Government of Papua New Guinea and local communities as a result of the CMCA review process. Under the memorandum of agreement approximately 60,000 residents of the Western Province will receive approximately one billion Kina (approximately $300 million) over the next six years. Approximately 160 villages along the Ok Tedi and Fly Rivers are parties to the MOA. The MOA consists of three parts:

1. A four-fold increase in direct compensation,
2. Funding of development projects within the impacted area by the PNG Sustainable Development Program Company to a minimum of approximately US $7 million per year over six years, and
3. A commitment by the PNG National Government to spend one-sixth of its 30 percent dividend on development projects within the impacted areas under a new trust fund arrangement.

The successful completion of the CMCA review is a positive outcome for Ok Tedi and the people of Papua New Guinea as the process continues to build a culture of sustainable development that will benefit the region after 2013 when the mine is expected to close.

Las Cruces

Las Cruces is one of the **highest-grade** unmined **copper deposits** in the world. This development property is located in Andalucia, Spain, 20 kilometres from Seville.

Type of mine	Open pit copper mine when commissioned
Ownership	70 percent
When it should start cathode production	2008
Expected mine life	15
Land owned	907 hectares
Land disturbed	408 hectares
Distance from nearest town	6 km from Gerena, Spain, 5 km from Guillena, Spain, 9 km from Salteras, Spain, 8 km from La Algaba, Spain and 20 km from Seville, Spain.
Main activities in surrounding area	Agricultural and residential.
Employees	96
Unionized employees	95
National employees	78
Female employees	25
Donations to the local community	$ 3,100
Proportion of spending locally[1]	90 percent (within Europe)
Methods of waste disposal	Tailings disposal in an engineered containment facility. Waste rock and overburden stored in surface containment facilities.
Emergency Preparedness and Response Plan (EPRP)	Yes (not consistent with MAC[2] guidelines).
Tailings management system	Not applicable (leach residues dried before storage).

[1] Contributions to the local economy include the local purchase of goods and services, and total payroll (G3 Indicator EC6).

[2] MAC is the Mining Association of Canada.

Local women's association members visiting the Las Cruces plant site during construction.

Mining of overburden from the open pit began in April 2006 and construction of the copper cathode production facility was 50 percent complete as of the end of 2007. Las Cruces is owned by Inmet (70 percent) and Leucadia National Corporation (30 percent). SNC-Lavalin is the lead engineering firm for the project.

It is in a semi-arid region, with only about 60 centimetres of rainfall per year. The mine is being developed under strict Spanish, Andalucian, municipal and European Union regulatory requirements designed to protect human health and the environment.

Las Cruces' performance on our core values

Operate safely

Las Cruces' safety performance was below our expectations in 2007. There were 16 lost time injuries, all involving contractors and the LTIF was 2.1 per 200,000 work hours. Fortunately, the injuries were not serious and many involved twisted ankles or knees as a result of the uneven and hard soil conditions that accompany the construction activities. Incident severity was 44 work days lost per 200,000 work hours.

At its peak, the construction project had more than 1,658 contractor employees on-site in 2007. Many of these are small subcontractors who do not have the resources to properly manage safety and also have not been trained to focus on safety. To effectively manage such a diverse workforce we realized mid-year that we needed to increase field health and safety supervision to inspect work practices and coach our contractors. We asked our engineering, procurement and construction management contractor, SNC-Lavalin, to increase its resources. Las Cruces also hired a new Safety and Health Manager. We began to see the positive effects of these steps by the fourth quarter of 2007 when there were zero lost time injuries at site. We are pleased with these improving results and look forward to effectively controlling the safety risks when we will have nearly 2,000 workers on site at the project peak expected in mid-2008.

Protect the environment

Las Cruces recorded 26 non-reportable spills of petroleum products in 2007, the majority of which were caused by hydraulic hose breakage on heavy mining equipment. As discussed on p. 25, the frequency of such incidents declined following the establishment of a spill team to address root causes.

The Las Cruces mining operation was certified under ISO 14001. Since the process plant to produce copper cathode will not be in operation until the fourth quarter of 2008, the mine represented a good opportunity to evaluate the ISO process to determine its value for the entire operation. So far the process has been judged a success and it is expected that Las Cruces will seek ISO 14001 certification for the entire facility once it is in operation.

As part of continuing efforts to evaluate how we can beneficially re-use the effluent in this arid climate once production starts, Las Cruces began research into how the water can be used in the production of olives and whether it can be used in the production of biomass to generate power. We will continue these efforts as part of our commitment to sustainability and environmental protection.

Las Cruces continued its monitoring programs to evaluate air and water quality and noise. We began our vibration monitoring program after blasting in the open pit began in September. For the first 18 months of overburden stripping Las Cruces did not require explosives because the marl (a calcareous sedimentary deposit) was poorly consolidated. As excavation progressed deeper, the marl became more rock-like, requiring blasting. Bird and terrapin (a species of turtle) surveys continued and we successfully relocated a population of terrapin to newly established habitat prior to the diversion of the Garnacha stream.

During pit expansion activities we discovered three additional archaeological sites which were excavated and characterized. An historic and previously unknown necropolis (cemetery) was discovered while topsoil was being removed. The necropolis was carefully characterized and excavated in October and a total of 79 individuals were identified.

We continued our concurrent reclamation activities by completing restoration of the La Casa stream diversion and continuing restoration of the Garnacha stream diversion and the Cañada Real livestock trail diversion. We completed the spreading of topsoil on the Esparragal and west rock disposal areas. Wheat was planted on land that we own but which is not affected by project development.

Las Cruces bird guide.

A wealth of bird life exists in and around Las Cruces. As part of its community affairs program, Las Cruces contracted a local consulting firm to produce a 127-page field guide specific to the area. The guide is handed out to all visitors to the site and is also available as a PDF download on the Las Cruces website (www.cobrelascruces.com).

Las Cruces' performance on our core values (cont'd)

Treat people and communities well

Las Cruces made great strides with its community affairs program in 2007. A full-time community affairs manager was hired to take on the increasing workload associated with community engagement. After months of relationship building and negotiation, we reached agreement with the nearby community of La Algaba on the issues of community support and the routing of a water supply and discharge pipeline. The discharge pipeline, approved by the provincial government, runs through the town to the Guadalquivir River, where we will discharge treated effluent.

Las Cruces has hosted many visits by local school groups, politicians, government officials and other community groups. In 2007 these visits involved more than 550 individuals. The frequency of such visits has increased as construction activities have progressed and the facilities have begun to take shape. Our forecasts indicate that requests for such visits will continue to grow, given the importance of Las Cruces to the economy of the local area.

Las Cruces made progress in fostering local employment in 2007. Of the 96 full-time employees at the end of the year, 28 are from the communities of Gerena, Guillena, Salteras and La Algaba which are in the immediate vicinity of the operation. The number increases considerably if we include employees from Sevilla. The total number of local employees at the site further increases to 171 when contractor personnel are included.

We provided training opportunities for local residents seeking future employment with us. We organized five training courses involving 75 students; two for plant operators and one each for welders, electricians and electromechanical workers. Of the 71 students that completed the courses, 59 (83 percent) were from our local communities. Furthermore, 56 (79 percent) of these students were hired, considerably above the 60 percent commitment we made to the Provincial Government of Andalucia.

Las Cruces also inaugurated a monthly newsletter for local residents that keeps them up-to-date on site activities, talks about its environmental programs and presents interesting facts about Las Cruces and the mining industry in general. The newsletter is distributed to 7,500 people in the four surrounding communities of Gerena, Guillena, Salteras and La Algaba.

Maria Bocarando.

Maria Bocarando – Community Affairs Coordinator

Maria joined the Las Cruces team in April 2007 and has the distinction of being the first person within the Inmet organization who was specifically hired to address community affairs issues. Maria brings her marketing background to her responsibilities along with a natural enthusiasm for her job. Maria coordinates all elements of project communication to generate trust and social acceptance amongst our neighbours.

"It has been an amazing opportunity – working with a wonderful team and having an interesting job in an international company that has priorities like people, environment and doing business with corporate social responsibility in mind."

Las Cruces' performance relative to our targets

2007 Objectives	2007 Performance
1. Finalize the emergency plan for the construction phase of the project.	✔ We met this objective.
2. Continue ISO 14001 implementation as the mining progresses and evaluate certification and further implementation at the plant area.	✔ We met this objective and the mining phase of our new operation was certified under ISO 14001.
3. Formalize a community affairs program and hire dedicated staff.	✔ We met this objective by developing and implementing a formal community affairs program and hiring dedicated staff.

Archeological excavation and characterization being conducted at Las Cruces prior to the mine development.

Cerattepe

Cerattepe is a high-grade undeveloped **copper deposit** located near Artvin, Turkey.

Type of mine	Underground copper mine when commissioned.
Ownership	100 percent
When it will open	2009
Expected mine life	6 years
Land owned	243 hectares
Land disturbed	3.5 hectares
Distance from nearest town	4 km from Artvin, Turkey.
Main activities in surrounding area	Agricultural, residential and forest.
Employees	38
Unionized employees	27
National employees	38
Female employees	3
Donations to the local communities	$ 44,000
Proportion of spending locally[1]	67 percent
Methods of waste disposal	Rock will be disposed in an engineered containment facility.
Emergency Preparedness and Response Plan (EPRP)	Yes (not yet consistent with MAC[2] guidelines).
Tailings management system	Not applicable; ore will be processed at Çayeli.

Replanting of Cyclamen seeds from Cerattepe. Cyclamen is an endemic species that was identified in our pre-development site assessment as warranting conservation.

[1] Contributions to the local economy include the local purchase of goods and services, and total payroll (G3 Indicator EC6).

[2] MAC is the Mining Association of Canada.

We reported last year on legal steps by local non-governmental groups in Artvin to cancel the operating licences for our Cerattepe property. The local court ruled in favour of the applicants; the Turkish Ministry of Energy and Natural Resources, as defendant, appealed the local court decision to the Danistay (Turkish Administrative Supreme Court). The Danistay overturned the local court decision in early 2007. This decision was later affirmed by the local court. The non-governmental groups have filed new proceedings against the Ministry and these are working their way through the judicial system.

In the meantime we progressed with our site activities, including geotechnical investigations and further development of the underground mine access. We have hired local contractors to undertake the mine development work and have trained them to the high standards in place at Çayeli.

We are designing the Cerattepe surface facilities to minimize the project's footprint, although to progress further with our site development activities it will be necessary to clear some of the forest. Under Turkish regulations, local residents are approached first to perform tree clearing under contract. Based upon past dialogue, local residents are interested in ensuring that as much of the employment benefit from Cerattepe as possible goes to the local communities. We are in discussions with the residents to determine how we can work together to achieve our mutual objectives. We are also in the process of hiring a dedicated community affairs employee to help us realize the potential of this important property.

Petaquilla

Petaquilla is an undeveloped **copper, gold** and **molybdenum** property located in Panama.

The core logging and sampling building at Petaquilla's Colina Camp.

The project will follow IFC Performance standards on Social and Environmental Sustainability.

Along with our partners, Petaquilla Copper Limited and Teck Cominco Limited, we formally began our work on the Petaquilla copper project in 2007. Petaquilla is a greenfield development project in north-central Panama; Inmet holds a 48 percent interest. Under the shareholders agreement, Teck Cominco has the right to earn half of Petaquilla Copper's 52 percent interest and become the operator. In May 2007, the partners agreed to perform Front End Engineering and Design (FEED) work to better define expected capital and operating costs. A revised FEED capital cost estimate of US $3.5 billion was announced in January 2008.

Given the scope of the project, its location, and environmental and social sensitivity, the partners agreed that the project social and environmental work, and the ultimate construction, operation and decommissioning of the project, would be undertaken under the International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability. The Performance Standards set out best practice guidelines for eight areas, and can be accessed at www.ifc.org/ifcext/enviro.nsf/content/performancestandards. Golder Associates was selected in a competitive bidding process to perform baseline work to support the social and environmental impact assessment.

We also recognized the importance of establishing a community consultation program to introduce the project and our companies to the government, regulatory officials, NGOs and communities in the area of the proposed mine. Experienced professionals were seconded to the project and began a series of open and transparent consultations with stakeholders. Through the end of 2007 we have held more than 50 meetings with 15 communities, 13 meetings with seven NGO groups, eight meetings with various government ministries and 16 meetings with other stakeholders. During the community meetings, concerns have been raised about employment, environmental impacts and social disruption to the area. These concerns have been communicated to the project team and we will evaluate how they can be addressed in project designs.

Closed properties

Closed properties' performance on our core values

Operate safely

The closed property team completed 2007 without a single safety incident and extended its LTI-free period to 87 consecutive months. The team focused on identifying and reducing fall hazards at each site through third-party inspections and training, and by purchasing new personal protective equipment. Our Manager of Closed Properties is part of the HCP Work Group and will bring the learnings from that process to our closed properties to help us improve our safety management.

Protect the environment

As we have described in past sustainability reports, the primary reason for our presence at the closed properties is environmental protection. Next to worker safety, compliance with our water discharge permits and responsible management of the remaining mine waste storage facilities are the most important tasks at the closed properties.

We are pleased to report that we met permit conditions governing our discharges to water at all of our closed properties for the fifth consecutive year. We did, however, have a permit violation and one spill. The permit violation occurred at Copper Range when we failed to submit a mercury pollution minimization program plan on time to the Michigan Department of Environmental Quality. The spill took place at Samatosum. A 15 litre spill of diesel fuel from a bulldozer occurred when the fuel in the tank expanded due to high ambient temperatures and leaked from the filler cap. Care will be taken to prevent such events in future.

Treat people and communities well

We conducted a total of seven documented community meetings at our five primary closed properties and held two meetings with aboriginal communities of interest (COI) that were not formally documented. There were also a number of roadside discussions with some of our neighbours. We met 41 people during these discussions. The primary areas of interest identified included: an update on the status of the particular site, emergency preparedness and response planning and a desire for more frequent dialogue.

We conducted simulation exercises of our emergency preparedness and response plans (EPRP) at all five primary sites. At Copper Range, Sturgeon Lake and Winston Lake the simulations were conducted with participation from COI. The Winston Lake exercise simulated a tailings embankment failure and involved door-to-door interaction with residents downstream of our site. The simulations taught us that our employees require ongoing training to ensure EPRP effectiveness.

Copper Range

In 2007 we continued to move forward with our state-approved Remedial Action Plan (RAP) related activities, including further site characterization and excavation of impacted stream sediment, tailings re-vegetation and improvement of the Bedell Pond wetland re-vegetation. The tailings re-vegetation each year continues to address areas within the two primary tailings basins where re-seeding has not been as successful as we hoped. Overall, the re-vegetation continues to develop well. Success in re-vegetation addresses certain requirements in the RAP and helps ensure that tailings particles do not impact air or water quality. As required by the State of Michigan dam safety legislation, we completed a dam safety inspection of our tailings impoundment and there were no material issues identified by the third-party engineering company that completed the inspection.

Norbec

We completed excavation of the access road at Norbec, our first major rehabilitation project at the site in several years. The access road was constructed decades ago from acid generating waste rock before the environmental risks of such practices were fully understood. Excavating this material was another step in the process of completing rehabilitation of the Duprat watershed. Although we had delayed spending on the road excavation project, there was no environmental impact from this decision since we collect and treat all impacted water at the site before it is released into the environment. Our rehabilitation projects at Norbec must be completed in a specific order, and the excavation of the road now allows us to move forward with the remaining projects in sequence.

Because of competing priorities, we delayed submission of the design for a simple tailings cover and will complete the engineering for this in 2008.

Polishing pond at the closed Winston Lake property. The pond assists in improving the site drainage water quality prior to release to the adjacent creek.

Samatosum

The rehabilitation project to re-slope the acid generating waste containment area at Samatosum began in late summer. This project is designed to reduce the overall slope of the area to reduce the risk that it might collapse unexpectedly. After the job began, several slides occurred in the contained area. Although these slides did not affect any people or equipment, we were very concerned about their potential to do so and we immediately suspended work. We consulted with third-party engineers and determined that saturation of the area and loading of the material with more weathered rock from the re-sloping had caused it to become unstable. After the water pressure dissipated, we allowed operations to resume using two spotters whose job it was to evaluate the stability of the slope. As a result of these complications completion of slope revegetation was delayed until the summer of 2008.

Sturgeon Lake

Water treatment activities continued as planned at Sturgeon Lake during the year. We replaced our diesel generator which provides power for recirculation of lime treated water to tailings storage cells. The change helped us improve our energy consumption and greenhouse gas emission performance for the year at the site. The recirculation of treated water has dramatically improved the water quality within the cells and downstream of the facility. We completed our 2006 biological survey report. The survey continues to show that the biodiversity of the area has not changed since our last survey in 2001.

Treating water in the open pit was challenging in 2007 and we used 50 percent more lime than normally needed to achieve our water quality objectives. In part, this was because we discharged more water than normal because of increased rainfall at the site. The zinc contained in our open pit generally precipitates at a consistent pH, however in 2007 we found that we had to add more lime to raise pH before adequate precipitation occurred. During one of our site inspections, we talked with a local resort owner about our site management and emergency response contact information.

A dam safety inspection was completed in 2007. The inspection is part of a comprehensive dam safety review being conducted to ensure that the dams, embankments and retaining structures at the site have been designed and constructed to acceptable safety standards and to review the adequacy of site operations, maintenance and surveillance. Qualified third-party engineers did not identify any material issues that needed to be addressed.

Winston Lake

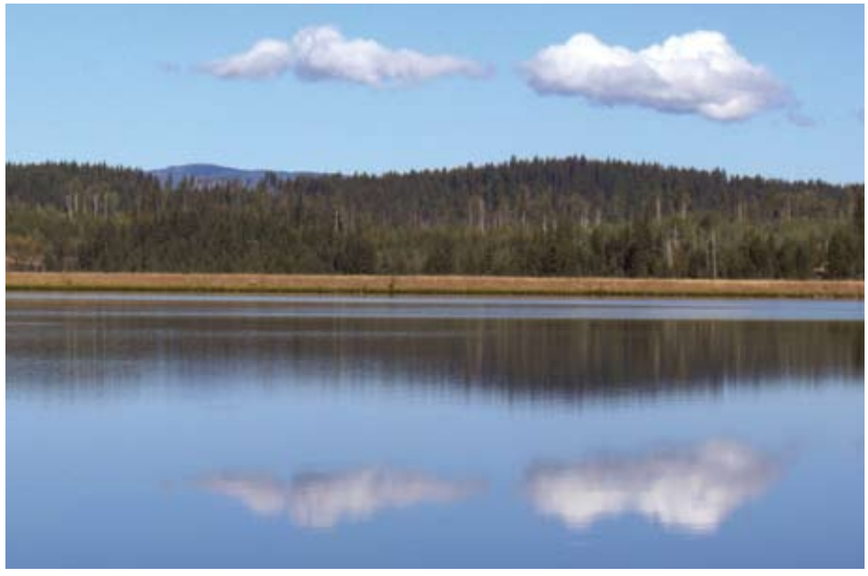
At Winston Lake we deferred further excavation of waste rock fill from the former plant site. The excavation of this fill has been ongoing for the past six years at Winston Lake, and was our primary rehabilitation project for 2007. We have been progressively excavating areas that have elevated zinc concentrations within the fill (hot spots) and that have the most potential to impact water quality. We excavated a considerable amount of material in 2006 and we deferred the 2007 excavation so that we could evaluate improvements to water quality and better identify the remaining "hot spots". In this way we will optimize future excavation activities to address the hot spot areas. To date we have excavated more than 125,000 m^3 of contaminated fill from this area, depositing it beneath the water cover in the tailings management facility.

We improved our power backup systems by installing a backup generator at the site. Previous site inspections had shown that our existing systems needed upgrading to properly operate our water treatment systems in the event of a power failure.

A dam safety inspection and dam safety review undertaken by a qualified third-party engineering company identified no material issues.

Closed properties' performance results

2007 Objectives	2007 Performance
1. Maintain our record of no lost time incidents and no environmental exceedances.	✔ We met this target as 2007 was injury-free and there were no water quality exceedances, although there was a permit violation at Copper Range.
2. Involve communities of interest in two of our emergency preparedness simulations.	✔ We met this target by involving community members in simulations at Winston Lake and Sturgeon Lake.
3. Reduce total spills by 50 percent.	✔ We met this target, reducing the number of spills from six to one in 2007.
4. Incorporate community feedback into site planning.	✘ We fell short of our goal to link our identified communities' interests to our budgeting process and have already taken steps to improve that linkage for use early in 2008.



The pond atop the Samatosum tailings continues to successfully ensure excellent water quality discharge to the adjacent creek.

Section 6

Performance data

Assay Technician at Troilus preparing a sample for gold pyroanalysis (fire assay).

Performance against TSM, company and GRI indicators is reported in this section. Our performance data are generally disaggregated to each operation, since that is the level on which we operate our business.

Notes on the performance data:

1. Blanks mean there are no data.
2. For Las Cruces, blanks under 2003 and 2004 (and occasionally 2005) represent the period prior to Inmet's 70 percent ownership.

Global Reporting Initiative Index

G3# in italics = noncore
G3 protocols followed for all indicators except where otherwise indicated

G3 #		* How to Find It
1.1	**CEO Statement**	p. 02
1.2	**Description of key impacts, risks and opportunities**	p. 02, 03, 17, 19, 24, also www.inmetmining.com/aboutInmet/riskmanagement
2.1	**Name of organization**	p. 10
2.2	**Primary brands, products**	p. 10
2.3	**Organizational structure**	p. 09, 10, 17
2.4	**Location of headquarters**	p. 10
2.5	**Number of countries where Inmet operates and is exploring**	p. 08, 09, 10
2.6	**Nature of ownership and legal form**	p. 08, 09, 10, also www.inmetmining.com/aboutInmet
2.7	**Markets served**	p. 10, also www.inmetmining.com/ourmarkets
2.8	**Scale of Inmet**	p. 09, 10, 63
2.9	**Significant changes**	inside front cover, p. 11, 61, 64, 68, 71
2.10	**Awards received**	p 29, 30, 36, 42
3.1	**Reporting period**	p. 11
3.2	**Date of most recent report**	p. 11
3.3	**Reporting cycle**	p. 11
3.4	**Contact point**	p. 1, inside back cover
3.5	**Process for defining report content**	p. 11, 12
3.6	**Boundary of the report**	p. 11, 12
3.7	**Limitations on scope or boundary**	p. 11, 12
3.8	**Basis for reporting joint ventures, subsidiaries, etc.**	p. 11, 12
3.9	**Data measurement techniques**	p. 12
3.10	**Explanation of effects of any re-statements**	www.inmetmining.com/Theme/Inmet/files/pdf/2007_Annual_Report.pdf, p. 47, 96, 110
3.11	**Significant changes in scope, boundary or measurement from previous reports**	p. 11
3.12	**GRI Table**	p. 56-59
3.13	**Policy and practice re external assurance**	p. 12
4.1	**Governance structure**	p. 17, 18, also www.inmetmining.com/governance www.inmetmining.com/Theme/Inmet/files/pdf/2007_Management%20Proxy%20Circular.pdf
4.2	**Is Chair also an executive officer and why?**	www.inmetmining.com/aboutInmet/boardofdirectors, www.inmetmining.com/Theme/Inmet/files/pdf/2007_Management%20Proxy%20Circular.pdf
4.3	**Number of independent and non-executive members**	p. 17, also, www.inmetmining.com/aboutInmet/boardofdirectors, www.inmetmining.com/Theme/Inmet/files/pdf/2007_Management%20Proxy%20Circular.pdf
4.4	**Mechanisms to provide recommendations or direction to highest governing body**	p. 16

* Unless otherwise indicated the page number refers to the 2007 Sustainability Report

G3 #		How to Find It
4.5	**Linkage between compensation for highest members of governance body, senior managers and executives and organization's performance**	www.inmetmining.com/governance, www.inmetmining.com/Theme/Inmet/files/pdf/2007_Management%20Proxy%20Circular.pdf
4.6	**Processes to ensure conflicts of interest are avoided by highest governance body**	p. 17, 18, also www.inmetmining.com/governance
4.7	**Process for determining qualifications and expertise of highest governance body**	www.inmetmining.com/governance
4.8	**Internally developed mission, values, codes, etc.**	p. 16, 18, 19
4.9	**Procedures of highest governance body to oversee identification and management of risks and opportunities, adherence with internationally agreed standards, etc.**	p. 17
4.10	**Processes for evaluating highest governance body's own performance**	www.inmetmining.com/governance
4.11	**Adherence to precautionary principle**	p. 20
4.12	**Externally developed charters, principles, other initiatives**	p. 15, 29
4.13	**Memberships in associations**	p. 15
4.14	**List of stakeholder groups**	p. 15
4.15	**Basis for identification and selection of stakeholder groups**	p. 15
4.16	**Approaches to stakeholder engagement**	p. 16
4.17	**Key topics raised by stakeholder engagement and how addressed**	Examples throughout the report provided on issues raised and how they were addressed by Inmet.
EC1	**Direct economic value**	p. 63
EC4	**Significant financial assistance from government**	p. 63
EC6	**Policy, practices, and proportion of spending on locally-based suppliers**	p. 63
EC7	**Procedures for local hiring and proportion of senior management from local community**	p. 64
EN3	**Direct energy consumption**	p. 64
EN4	**Indirect energy consumption by primary source**	p. 65
EN8	**Total water withdrawal by source**	p. 65
EN9	**Water sources significantly affected by withdrawal of water**	p. 66
EN10	**% and total volume of water recycled and reused**	p. 66
EN11	**Location and size of land in or adjacent to protected areas and areas of high biodiversity value outside protected areas**	p. 66
EN14	**Strategies, actions and plans for managing impacts on biodiversity**	p. 66
EN16	**Total direct and indirect greenhouse gas emissions**	p. 67
EN18	**Initiatives to reduce GHGs and reductions achieved**	p. 67

Global Reporting Initiative Index (cont'd)

G3 #		How to Find It
EN21	**Total water discharge by quality and destination**	p. 68
EN22	**Total waste by type and disposal method**	p. 68
EN23	**Number and volume of significant spills**	p. 69
MM6	**Describe approach to management of overburden, rock, tailings and sludges/residues**	p. 69
EN28	**Monetary value of significant fines and total number non-monetary sanctions for non-compliance with environmental laws and regulations**	p. 69
EN30	**Total environmental protection expenditures and investments by type**	p. 70
HR4	**Total incidents of discrimination and actions taken**	p. 70
PR9	**Monetary value of significant fines for non-compliance with laws and regulations re provision and use of products and services**	p. 70
SO1	**Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting**	p. 70
SO5	**Public policy positions and participation in public policy development and lobbying**	p. 70
SO8	**Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations**	p. 71
MM9	**Describe resettlement policies and activities**	p. 71
MM10	**Number or % of operations with closure plans in place, covering social, environmental and economic aspects**	p. 27, 71
MM12	**Describe the systems in place for identifying, preparing for, and responding to emergency situations effecting employees, communities or the environment. Include the nature of skills, teams, training, drills and community involvement.**	p. 72
LA1	**Understanding and describing significant indirect economic impacts**	p. 72
LA4	**% employees covered by collective bargaining**	p. 72
LA6	**% workforce represented in formal joint management-worker health and safety committees**	p. 73
LA7	**Rates of injury, occupational diseases, lost days, etc. by region**	p. 73, 74
LA10	**Average hours of training per year per employee per employee category**	p. 74
MM13	**Number of new cases of occupational disease by type. Describe programs to prevent and reduce occupational disease**	p. 74

Towards Sustainable Mining

Towards Sustainable Mining (TSM) is an initiative of the Mining Association of Canada (MAC) and its member companies to improve the reputation of the Canadian mining industry through improved operational performance, particularly in the social and environmental aspects of our business.

Good TSM performance in 2007

We continued to make progress this year in managing risks in three of the four TSM performance areas – tailings management, community dialogue (external outreach), crisis and emergency management, and energy and greenhouse gas management. Our 2007 results were determined through self-assessment.

Tailings management

Pyhäsalmi made substantial progress in completing its tailings OMS Manual and has targeted an April, 2008 completion date.

Community dialogue (external outreach)

We continued to see improvement in our community dialogue across the organization.

Crisis and emergency management

We were not able to schedule the corporate crisis simulation exercise during 2007. We are working with our consultant to conduct a corporate crisis simulation in the second quarter of 2008.

Energy and greenhouse gas management

Our performance in energy and greenhouse gas management did not improve during 2007. We took a number of steps to raise the importance of greenhouse gas and climate change within the company, including participating in the Carbon Disclosure Project (see p. 27) and developing energy and greenhouse gas five-year SECA objectives (see p. 07). As a result of these steps to increase awareness we expect to report improvement in the coming years.

You can find more information about TSM and the results of our 2007 performance evaluations at www.mining.ca.

Company Indicators

Company Indicator #1

Environmental regulatory inspections

The inspections are conducted by Federal or State/Provincial/Regional environmental law officers completing their periodic and documented audits against permits and applicable legislation.

The number of inspections generally follows our submittal of project proposals, permit amendment proposals, or legislative changes.

Location		Number of inspections				
	Jurisdiction	2003	2004	2005	2006	2007
Çayeli		0	0	0	0	0
Cerattepe	Provincial	0	0	0	0	5
Las Cruces	State	0	0	0	6	0
	Regional	0	0	0	0	2
Ok Tedi		0	0	0	0	0
Pyhäsalmi	Regional	1	0	1	1	1
Troilus	Provincial	1	1	1	1	3
	Federal	1	1	1	1	1
Closed properties	Provincial/State	16	10	8	18	10
	Federal	0	0	1	0	0
Exploration	Spain	0	0	0	0	1

Company Indicator #2

Environmental review findings by operation

Location	Current Audit Results			
		Regulatory & policy exceptions, Good Management Practices issues		
	Total	Material	Significant	Minor
Çayeli	25	6	10	9
Norbec	23	0	8	15
Pyhäsalmi				
Samatosum	27	0	10	17
Troilus	42	0	4	38

Category	Definition
Material	An adverse financial impact to the Corporation is likely; the event may have applicability across the Corporation; operating in the absence of required permits or licenses; a demonstrable and measurable adverse environmental impact has occurred; enforcement activities are likely; repeated case of non-compliance; or uncorrected regulatory exceptions from past audits.
Significant	An adverse financial impact to the operation is likely; monitoring and/or reporting deficiencies associated with valid permits and/or licenses; an adverse environmental impact is likely; a regulatory agency has made the issue a priority for enforcement; or there is a significant gap in the management system.
Minor	No adverse financial impact is likely; full compliance; minor permit exceptions or omissions; and any issue with minimal potential for adverse environmental impact or enforcement.

Company Indicator #3

Amounts reported as required under the Canadian National Pollution Release Inventory (NPRI/INRP) legislation

The Troilus data has been recalculated to include copper releases to the environment in effluent. (www.ec.gc.ca/pdb/npri/)

Location		National Pollution Release Inventory reported amount (kg)				
		2003	2004	2005	2006	2007
Troilus	Copper and its compounds	530	490	420	610	59

Company Indicator #4

Number of formal community meetings

Meetings related to exploration activities included those with individual landowners in areas of higher population density. Çayeli initiated weekly Housing Foundation meetings, and Cerattepe's meetings were related to increased development construction activity and permitting.

Ok Tedi meetings included negotiations and signing of a memorandum of agreement with local communities, as part of the CMCA review process.

Location	Number of formal community meetings				
	2003	2004	2005	2006	2007
Çayeli	0	0	0	2	55
Cerattepe	84	38	59	7	280
Las Cruces			14	40	45
Ok Tedi	335	348	307	425	720
Pyhäsalmi	6	23	3	4	4
Troilus	2	1	4	5	6
Closed properties	0	4	2	17	7
Exploration	8	5	35	166	257

Company Indicator #5

Number of formal safety meetings

Safety meetings include pre-shift daily and weekly crew and contractor meetings with a supervisor, lead hand, captain, coordinator, or manager. Formal means documented with notes on attendees, date, chair/leader, topics.

The increase in the number of Las Cruces meetings was due to an increase in our contractor safety activities associated with increased number of construction workers.

Ok Tedi improved its safety program with an increase in safety communication via meetings. It also began formally reporting all crew meetings in 2007.

Location	Number of safety meetings				
	2003	2004	2005	2006	2007
Çayeli	3,142	2,783	2,790	3,075	2,709
Cerattepe	0	5	63	15	66
Las Cruces			6	54	97
Ok Tedi	178	200	300	412	2,162
Pyhäsalmi		300	331	664	722
Troilus		314	350	308	296
Closed properties	17	314	461	360	430
Exploration					0

Company Indicators (cont'd)

Company Indicator #6

Number of workplace inspections

The increase in the number of Las Cruces inspections is related to increased contractor activity and related safety control. Regular compliance inspections are conducted at our closed properties.

Frequent, random and undocumented inspections of drill sites at our exploration properties are also conducted.

Location	Number of workplace inspections				
	2003	2004	2005	2006	2007
Çayeli	130	121	95	72	**30**
Cerattepe	0	0	1	0	**3**
Las Cruces				17	**189**
Ok Tedi	160	200	200	431	**2170**
Pyhäsalmi		70	178	222	**257**
Troilus		78	72	68	**64**
Closed properties	687	1,072	726	649	**757**

Company Indicator #7

Number of job safety analyses performed and documented

Job safety analyses at the operations include reviews of the tasks or jobs related to different work at the site. The analyses are completed by the safety department, at some sites with our medical staff or consultants and/or with worker representatives. The number of analyses are high at Çayeli and Ok Tedi because they have divided their jobs into smaller tasks.

Cerattepe initiated its analysis program in 2007 and Las Cruces completed its program last year. During the year, Ok Tedi revised its analyses and Pyhäsalmi completed its two-year revision.

The closed sites numbers include job safety observations that are conducted as a training tool. During the observation, the job tasks and their procedures are updated as required and communicated to the crews.

Location	Number of job safety analyses performed and documented				
	2003	2004	2005	2006	2007
Çayeli	42	80	338	360	**339**
Cerattepe	0	0	5	1	**21**
Las Cruces				61	**27**
Ok Tedi	75	100	100	622	**1723**
Pyhäsalmi	37	17	31	34	**16**
Troilus		70	68	64	**60**
Closed properties	2	52	45	97	**47**
Exploration					**1**

Global Reporting Initiative Indicators

G3 Economic Indicator EC1

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

Ok Tedi reported at 18 percent ownership.

	2003	2004	2005	2006	2007
Revenue	$ 302,147	$ 424,490	$ 540,058	$ 847,264	**$ 897,220**
Operating costs	$ (201,865)	$ (245,519)	$ (274,359)	$ (285,216)	**$ (308,424)**
Employee compensation	$ 59,902	$ 68,422	$ 75,282	$ 85,800	**$ 102,684**
Donations & other community investments	$ 2,848	$ 2,073	$ 2,853	$ 2,419	**$ 6,218**
Retained earnings	$ 171,170	$ 79,704	$ 142,035	$ 420,653	**$ 417,609**
Payments to capital providers	$ 58,214	$ 12,006	$ 65,939	$ 1,619	**$ 10,297**
Payments to governments	$ 9,516	$ 16,563	$ 26,371	$ 111,411	**$ 204,583**

G3 Economic Indicator EC4

Significant financial assistance received from government

Pyhäsalmi's 2006 value includes $210,000 assistance for the site's environmental upgrade to use a pyrite pressure dryer instead of a roaster.

Location	Significant financial assistance received from government (000$)				
	2003	2004	2005	2006	2007
Çayeli		0	0	0	**492**
Cerattepe					**0**
Las Cruces			0	0	**266**
Ok Tedi		0	0	0	**0**
Pyhäsalmi	26	53	75	262	**67**
Troilus		0	0	0	**0**
Closed properties	0	0	0	0	**0**
Exploration					**0**

G3 Economic Indicator EC6

Policy, practices and proportion of spending on locally-based suppliers

Pyhäsalmi has reported spending within Finland and Las Cruces has reported spending within Europe. Similar to the other sites, both give first priority to local towns, then regions, then country.

The Closed Sites local spending increases during those years when we have mine rehabilitation excavation projects since they are typically awarded to local contractors.

Supplies and labour for exploration sites are obtained locally whenever possible. However, the proportion of local spending is not tracked.

Location	Proportion of spending locally				
	2003	2004	2005	2006	2007
Çayeli					**34%**
Cerattepe					**67%**
Las Cruces					**90%**
Ok Tedi					**48%**
Pyhäsalmi					**90%**
Troilus					**21%**
Closed properties	32%	29%	40%	24%	**63%**

Global Reporting Initiative Indicators (cont'd)

G3 Economic Indicator EC7

Procedures for local hiring and proportion of senior management hired from the local community

Each of the sites employs local residents for entry level work. Çayeli has recently supplemented their local workforce using progressive hiring practices with input from the community.

Location	Proportion of local senior management				
	2003	2004	2005	2006	2007
Çayeli					40%
Cerattepe					100%
Las Cruces					50%
Ok Tedi					0%
Pyhäsalmi					43%
Troilus					50%
Closed properties	30%	30%	30%	30%	30%

G3 Environmental Indicator EN3

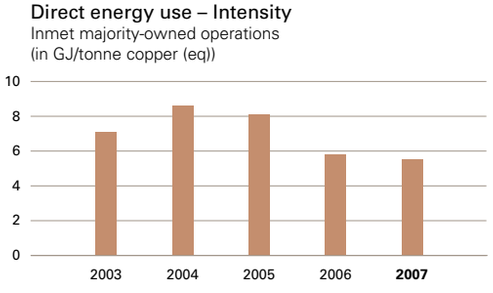
Direct energy consumption by primary energy source

Development activity increased significantly at Las Cruces and increased its direct energy use by nearly 100%. The site has entered into an agreement that would allow it to contribute water (effluent) to a planned solar thermo power plant that has a design capacity similar to the amount of energy consumed by the mine.

Recent equipment changes at Pyhäsalmi and Closed Sites led to significant one time energy consumption reductions. Çayeli moved from reporting the sum of direct and indirect energy use to reporting them separately.

Nearly 100% of our direct energy use is from fuel sources that are non-renewable.

Location	Energy use (GJ)				
	2003	2004	2005	2006	2007
Çayeli	64,696	65,136	65,369	76,073	71,444
Cerattepe					10,279
Las Cruces			754	1,101	921,481
Ok Tedi	1,663,204	1,695,917	1,784,579	1,782,471	1,769,118
Pyhäsalmi	273,960	267,617	263,794	50,789	47,128
Troilus	470,300	440,086	471,319	427,849	423,349
Closed properties	813	589	541	647	325
Inmet total without Ok Tedi	809,768	773,428	801,777	556,460	1,474,005
Intensity / tonne copper (eq) – majority-owned operations	7.1	8.6	8.1	5.8	5.5
Cu equivalent (tonnes)	114,704	89,832	99,197	96,531	100,220



G3 Environmental Indicator EN4

Indirect energy consumption by primary source

Çayeli met its five percent electricity use reduction performance targets over the previous three years, and in 2007 they reduced energy intensity despite production increases.

Pyhäsalmi, Troilus and the Canadian closed sites use electricity from generators that are nearly 100% renewable such as hydroelectricity and nuclear power.

Location	Energy use (GJ)				
	2003	2004	2005	2006	2007
Çayeli	230,920	222,717	217,193	235,018	**258,911**
Cerattepe					**0**
Las Cruces					**3,042**
Ok Tedi					**0**
Pyhäsalmi	273,960	267,617	263,794	271,579	**269,056**
Troilus	516,778	524,942	588,461	592,399	**594,996**
Closed properties	7,218	7,306	6,870	6,892	**6,415**
Inmet total without Ok Tedi	1,028,876	1,022,582	1,076,316	1,105,888	**1,132,420**
Intensity /tonne copper (eq) – majority-owned operations	9.0	11.4	10.9	11.5	**11.3**
Cu equivalent (tonnes)	114,704	89,832	99,197	96,531	**100,220**

G3 Environmental Indicator EN8

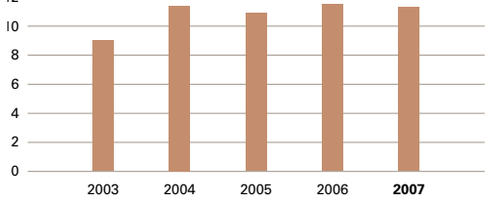
Total water withdrawal by source

Pyhäsalmi has reduced its water consumption over the past five years by reducing water use and by increasing its proportion of recycling.

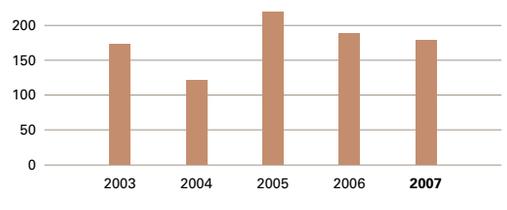
Inmet's operations have committed to developing water management and conservation plans in 2008.

Location	Source	Water withdrawal by source (m^3)				
		2003	2004	2005	2006	2007
Çayeli	groundwater	3,250,000	3,000,000	4,000,000	4,633,380	**4,802,996**
Las Cruces	groundwater					**107,766**
Pyhäsalmi	lake	6,090,000	6,200,000	6,317,210	5,427,080	**5,141,938**
Troilus	lake	9,750,170	9,868,890	10,573,600	7,369,121	**7,207,261**
Ok Tedi	lakes	16,080,860	13,000,000	12,904,531	14,864,912	**16,439,988**
Closed Properties	river	803,000	803,000	803,000	803,040	**803,040**
Inmet total without Ok Tedi		10,143,000	10,003,000	11,120,210	10,863,500	**18,063,001**
Intensity /tonne copper (eq) – majority-owned operations		88	111	112	113	**179**
Cu equivalent (tonnes)		114,704	89,832	99,197	96,531	**100,220**

Indirect energy use – Intensity
Inmet majority-owned operations
(in GJ/tonne copper (eq))



Water withdrawal – Intensity
Inmet majority-owned operations
(Water use – cubic meter per tonne copper (eq))



Global Reporting Initiative Indicators (cont'd)

G3 Environmental Indicator EN9

Water sources significantly affected by withdrawal of water

At Çayeli, the local aquifer water level has been reduced during mine operation. Our permit application for river water withdrawal has been denied. We are developing a water management plan. In the meantime, we continue to withdraw water from our supply wells.

At Las Cruces, a local, sensitive aquifer was temporarily used while the main supplies are permitted and constructed.

Water sources are not significantly affected by our use at our other sites.

G3 Environmental Indicator EN10

Percentage and total volume of water recycled and reused

The sites will prepare water conservation plans in 2008 that include a recycling component.

Recycling water at the sulphide mines can create process challenges due to an increase in the build up of scale within the mill equipment.

Location

Water recycling (000's m^3)

	Total volume recycled					Total percentage recycled				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli	0	0	0	0	**151,813**	0%	0%	0%	0%	**10%**
Cerattepe					**450**					**30%**
Ok Tedi	20,109	20,000	22,941	26,475	**28,790**	56%	61%	64%	64%	**70%**
Pyhäsalmi	504	495	742	1,028	**1,046**	8%	8%	12%	19%	**20%**
Troilus	8,000	8,600	8,600	8,147	**8,127**	82%	87%	81%	77%	**74%**
Lac Dufault					**4,140**					**1%**

G3 Environmental Indicator EN11

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

As reported in EN14, our sites conduct biological monitoring to assess and manage potential impacts. Three of our closed sites have completed basic biodiversity enhancement plans. Cerattepe is the only operating site that has been identified as being located near an area of high biodiversity value. The property is 243 hectares and is leased from the General Directorate of Mining and the Forestry Directorate. It is near the Hatilla national park protection boundary and Kafkasor protected area. Approximately 3.5 hectares of forest have been recently disturbed by our activities.

At all operations where we are rehabilitating mined areas we revegetate disturbed areas with native plants.

G3 Environmental Indicator EN14

Strategies, current actions, and future plans for managing impacts on biodiversity

Our operations and closed sites conduct environmental monitoring programs to assess and manage any potential impacts on biodiversity. Three closed sites have basic biodiversity plans and we expect to expand our biodiversity planning at the operations in the next few years.

Our development projects, Las Cruces and Cerattepe, have identified opportunities for biodiversity protection and enhancement that form an integral part of the operation plans.

G3 Environmental Indicator EN16

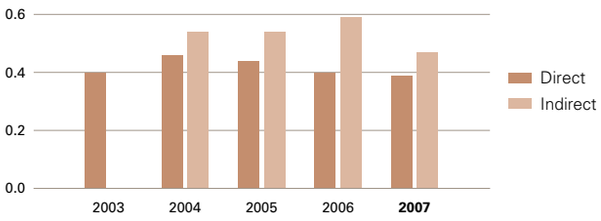
Total direct and indirect greenhouse gas emissions by weight

Pyhäsalmi has reduced its energy consumption and recently certified that its electricity is supplied from sources with zero carbon dioxide emissions.

The increase in greenhouse gas emissions at Las Cruces is related to significant increases in development mining and construction activities and the associated increase in fuel and electricity use.

Location	Greenhouse gas emissions (tonnes)									
	Direct					Indirect				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli	4,679	4,708	4,754	5,533	**5,110**		32,108	36,199	39,170	**43,152**
Cerattepe					**491**					**0**
Las Cruces			171	15,134	**58,059**			88	129	356
Ok Tedi		247,995	254,088	344,941	**326,857**					**0**
Pyhäsalmi	4,570	3,865	3,353	1,684	**1,729**		15,016	15,388	15,842	**2,106**
Troilus	36,071	32,413	35,604	30,945	**31,017**		1,356	1,521	1,530	**1,520**
Closed properties	636	576	244	301	**297**			311	348	**398**
Inmet total w/o Ok Tedi	45,956	41,562	44,126	53,597	**96,703**		48,480	53,507	57,019	**47,532**
Intensity /tonne copper (eq) – majority-owned operations	0.40	0.46	0.44	0.40	**0.39**		0.54	0.54	0.59	**0.47**
Cu equivalent (tonnes)	114,704	89,832	99,197	96,531	**100,220**	114,704	89,832	99,197	96,531	**100,220**

Greenhouse gas (GHG) emissions – Intensity
Inmet majority-owned operations
(GHG emissions – tonnes CO_2 per tonne copper (eq))



G3 Environmental Indicator EN18

Initiatives to reduce greenhouse gas emissions and reductions achieved

Çayeli and Pyhäsalmi have achieved their energy consumption targets in the past few years. All operations have committed to developing energy conservation plans in 2008.

Las Cruces has a collaboration agreement under which it may provide water to a planned 50MW thermo solar plant. Once the solar plant is operational, our discharge effluent would be used to clean the mirrors and to assist with the turbines.

Ok Tedi and two of the Closed Sites have identified energy conservation opportunities.

Global Reporting Initiative Indicators (cont'd)

G3 Environmental Indicator EN21

Total water discharge by quality and destination

Çayeli's metal loadings include metal contained in tailings discharged in our deep sea tailings pipeline.

		Annual loading (kg)					Average annual water quality (mg/L)					% effluent discharge of receiver flow
Receiving location	Discharge volume (m^3)	Copper	Zinc	Total Suspended Solids	Calcium	Sulphates	Copper	Zinc	Total Suspended Solids	Calcium	Sulphates	
Çayeli: Black Sea	4,905,600	3,187	5,331		2,401	5,763	0.15	4.43		500	1,200	1%
Pyhäsalmi:												
Pyhäjärvi lake	7,062,660	237	1,054	29,400	5,287,000	12,826,000	0.03	0.14	4.20	746	1,801	5%
Troilus effluents												
to lac A	8,654,442	59	414	109,937			0.007	0.029	6			64%
Closed Sites												
to rivers	12,256,569	773	320	96,855	22,153	984,190	0.02	0.11	3.43			44%

G3 Environmental Indicator EN22

Total weight of waste by type and disposal method

Waste disposal is either on site in an approved facility or off site to certified recycling or disposal facilities.

Waste from our closed properties consists mainly of water treatment residuals from Norbec. Pyhäsalmi's non-hazardous waste includes more than one third recycled scrap metal and 20 percent wood reused for energy production.

Changes in waste numbers at Çayeli relate to its improvements in recycling of non-hazardous waste and oil, improved documentation, and increased production. At Pyhäsalmi the change is due to the method of estimating recycled material, improved recycling and measuring systems. The waste generated at Las Cruces has increased and is associated with its increased development and construction activity.

Location			Waste by type and disposal method				
		Units	2003	2004	2005	2006	2007
Çayeli	Non-hazardous	kg	457,361	593,878	604,152	667,650	**965,180**
	Hazardous	kg	32,000	28,180	36,640	96,272	**99,803**
Cerattepe	Non-hazardous	kg					**2,000**
	Hazardous						
Las Cruces	Non-hazardous	kg				14,336	**1,573,363**
	Hazardous	kg			57,130	76,400	**409,459**
Closed properties	Non-hazardous	kg	6,599,663	9,008,233	7,227,590	8,858,400	**5,918,580**
	Hazardous	L		728			
Pyhäsalmi	Non-hazardous	kg	907,185	861,825	366,180	845,000	**788,000**
	Hazardous	kg	28,123	73,119	53,813	40,622	**58,601**
Troilus	Non-hazardous	kg					**389,150**
	Hazardous	kg	271,231	231,803	246,626	183,845	**215,920**

G3 Mining and Metals Indicator MM6

Describe approach to management of overburden, rock, tailings and sludges/residues

Overburden, rock, tailings, sludges and residues at all our majority-owned operations are carefully managed following all regulatory and permit requirements as well as our SECA criteria and standards (see p. 19). Tailings and residues are generally carefully contained within engineered structures. At Çayeli, tailings are discharged at 275 metre depth in the Black Sea. Where possible, waste rock is used as backfill in underground mines or stored in containment facilities. For operations where tailings from sulphide ores are producing oxidized sulphides in quantities that can be harmful to the environment, we are taking steps to reduce oxidation, contain possible contaminants or reduce the sulphide content in the tailings. Our tailings management systems are being upgraded to meet TSM standards and tailings, operations and surveillance manuals are either available or under development.

G3 Environmental Indicator EN23

Total number and volume of significant spills

Please see p. 26 for a description and illustration of our improved spill performance for 2007.

Location

Number and volume of significant spills

	2003		2004		2005		2006		**2007**	
	Number	Volume (m^3)	Number	Volume (m^3)	Number	Volume (m^3)	Number	Volume (m^3)	**Number**	**Volume (m^3)**
Çayeli	0		0		0		0		**0**	
Cerattepe	0		0		0		0		**0**	
Las Cruces	0		0		0		0		**0**	
Ok Tedi	0		0		0		0		**0**	
Pyhäsalmi	0		0		0		1	41	**2**	**1**
Troilus	4	155	1	1	5	3,308	1	6	**1**	**3**
Closed properties	2	50,184	0	0	1	675	3	2,165	**0**	**0**

G3 Environmental Indicator EN28

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

Troilus' violation notices were related to environmental regulatory inspection findings.

Location

	2003		2004		2005		2006		**2007**	
	Fines ($)	NOVs	Fines ($)	NOVs	Fines ($)	NOVs	Fines ($)	NOVs	**Fines ($)**	**NOVs**
Çayeli	0	0	0	0	0	0	0	0	**0**	**0**
Cerattepe	0	0	0	0	0	0	0	0	**0**	**0**
Las Cruces					0	0	0	0	**0**	**0**
Ok Tedi	0	0	0	0	0	0	0	0	**0**	**0**
Pyhäsalmi	0	0	0	0	0	0	0	0	**0**	**0**
Troilus	0	0	0	3	0	2	0	0	**0**	**2**
Closed properties	0	1	0	1	0	0	0	0	**0**	**0**
Exploration									**0**	**0**

NOVs = notices of violation

Global Reporting Initiative Indicators (cont'd)

G3 Environmental Indicator EN30

Environmental expenditures by location ($000)

Includes environmental monitoring, personnel and equipment, environmental controls, mine rehabilitation and progressive rehabilitation such as resloping, revegetation and water management.

Location	2003	2004	2005	2006	2007
Çayeli	370	303	359	314	**643**
Cerattepe					
Las Cruces			561	2,168	**2,438**
Ok Tedi	48,800	46,383	40,094	43,445	**34,357**
Pyhäsalmi	990	1,266	1,186	833	**1,213**
Troilus	360	498	445	404	**625**
Closed properties	4,100	1,905	1,971	1,271	**2,054**

G3 Human Rights Indicator HR4

Total number of incidents of discrimination and actions taken

There were no incidents of discrimination reported.

G3 Product Responsibility Indicator PR9

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

There were no fines for non-compliance concerning our use of products and services.

G3 Society Indicator SO1

Nature, scope and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating and exiting

Responsible mining is a joint responsibility of our head office and our operations. Every majority-owned operation is expected to meet minimum social, environmental and community affairs criteria and standards for safe, responsible operation. The management framework, policies, procedures are explained in the 'our approach to responsible mining' section beginning on p. 14 of this report. The effectiveness of our systems is presented in the 'performance on our core values' beginning on p. 21 and 'performance data' beginning on p. 55 sections of this report.

In addition, Ok Tedi has its own extensive community impact assessment, engagement and mitigation programs that are described on its website at www.oktedi.com.

G3 Society Indicator SO5

Public policy positions and participation in public policy development and lobbying

Describe public policy positions and participation in policy development and lobbying

We do not make donations or contributions to any candidate for public office or political party. We do not, either directly or through an agent, pay, offer to pay or promise to give anything of value to any government or public official with the goal of influencing his or her decisions that may affect Inmet.

We do cooperate with the governments in the jurisdictions where we operate to identify and resolve issues pertaining to our operations either directly or through memberships in business associations such as the Mining Association of Canada and the Canadian Turkish Business Council.

Further information about our codes and policies may be found in the section 'our approach to responsible mining' in this report and on our website at www.inmetmining.com/governance/charterspolicies.

G3 Society Indicator SO8

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

The two fines at Çayeli were approximately equal in value and resulted from findings during a regulatory inspection and late reporting of a worker injury.

Location

	2003		2004		2005		2006		2007	
	Fines ($)	NOVs	Fines ($)	NOVs	Fines ($)	NOVs	Fines ($)	NOVs	**Fines ($)**	**NOVs**
Çayeli	0	0	0	0	0	0	0	0	**988**	**2**
Cerattepe	0	0	0	0	0	0	0	0	**0**	**0**
Las Cruces					0	0	0	0	**0**	**0**
Ok Tedi	0	0	0	0	0	0	0	0	**0**	**0**
Pyhäsalmi	0	0	0	0	0	0	0	0	**0**	**0**
Troilus	0	0	0	3	0	2	0	0	**0**	**0**
Closed properties	0	1	0	1	0	0	0	0	**0**	**0**

NOVs = notices of violation or other governmental warnings or enforcement actions

G3 Mining and Metals Indicator MM9

Describe resettlement policies and activities

The only operation at Inmet that involves resettlement is Las Cruces. Resettlements have not been required there since 2004 prior to Inmet's 70 percent ownership. A total of 4 households were relocated over the period 2003 and 2004. They were carried out in a manner consistent with the direction from the local regional administration of the Junta de Andalucia.

G3 Mining and Metals Indicator MM10

Number or % of operations with closure plans in place, covering social, environmental and economic aspects

All of the operating sites have a closure plan in place.

The new standard for revision is every five years. Çayeli is currently updating its plan after eight years.

The closure objectives are to ensure the site is safe, physically and chemically stable, and remediated in a manner that promotes acceptable land uses and ecosystem integrity. The plans are prepared in consideration of economic, environmental and social effects related to our mine closure.

Location

		Financial provisions for closure				
		2003	2004	2005	2006	**2007**
Çayeli	USD	6,862,189	6,862,189	6,862,189	6,862,189	**6,862,189**
Cerattepe						
Las Cruces	Euros				21,102,016	**21,102,016**
Ok Tedi	USD	22,500,000	33,551,893	41,283,453	59,390,348	**66,330,378**
Pyhäsalmi	Euros	1,700,000	1,700,000	1,700,000	1,700,000	**1,700,000**
Troilus	CAD	893,070	1,395,422	2,009,407	2,735,027	**3,572,280**

Global Reporting Initiative Indicators (cont'd)

G3 Mining and Metals Indicator MM12

Describe the systems in place for identifying, preparing for, and responding to emergency situations affecting employees, communities or the environment. Include the nature of skills, teams, training, drills and community involvement.

Each site has an emergency response plan in place that includes protocols for medical emergencies, fires and explosions and spills.

Training and testing involves test scenarios for relevant personnel and departments, and training and drills for response teams. Pyhäsalmi, Troilus and Head office have committed to improving their site-wide simulation training in 2008.

Our communities have been involved with test scenarios or training at Pyhäsalmi, Çayeli and several Closed Properties.

The exploration team relies on employees and contractors working in pairs, near villages and towns, and with first aid and basic response equipment. The team has committed to reviewing and revising its communication and call-in systems in 2008.

G3 Labour Practices Indicator LA1

Total workforce by employment type, employment contract and region

Using Pyhäsalmi as an example, the mine has six percent management, nine percent supervisors, 15 percent trainees, and 70 percent hourly employees.

Location	Total employees					National employees				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli (Turkey)	378	486	485	476	**465**	373	480	473	470	**460**
Cerattepe (Turkey)					**38**					**38**
Las Cruces (Spain)			31	61	**96**			25	50	**78**
Ok Tedi (PNG)	1,979	1,993	2,043	2,056	**2,097**	1,856	1,898	1,945	1,963	**2,002**
Pyhäsalmi (Finland)	212	211	214	210	**212**	211	211	214	210	**212**

Location	Percentage of national employees				
	2003	2004	2005	2006	**2007**
Çayeli (Turkey)	99%	99%	98%	99%	**99%**
Cerattepe (Turkey)					**100%**
Las Cruces (Spain)			81%	82%	**81%**
Ok Tedi (PNG)	94%	95%	95%	95%	**95%**
Pyhäsalmi (Finland)	100%	100%	100%	100%	**100%**

G3 Labour Practices Indicator LA4

Percentage of employees covered by collective bargaining agreements

100% of Pyhäsalmi and Las Cruces employees, nearly 79% of Ok Tedi employees, and 70% of Çayeli employees are covered by collective bargaining agreements.

Both Troilus and Çayeli have labour relations committees with employee representatives from different departments that meet regularly with site management.

G3 Labour Performance Indicator LA6

Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

Other than Cerattepe, all of our employees at all of our sites are covered by joint occupational health and safety committees. Las Cruces established their committee during 2007.

GRI Social Performance Indicator LA7

Rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities

Absenteeism is not reported in the data provided below.

Las Cruces statistics for 2005 only extend from August 1, 2005 through December 31, 2005 reflecting the date of Inmet's 70 percent acquisition.

Çayeli includes hours for Cerattepe prior to 2006.

Location	Total working hours				
	2003	2004	2005	2006	**2007**
Çayeli	1,091,040	1,276,952	1,208,952	1,304,200	**1,181,512**
Cerattepe				37,625	**86,200**
Las Cruces			23,819	468,362	**1,674,662**
Ok Tedi	9,654,267	9,162,996	9,023,614	10,060,319	**11,565,761**
Pyhäsalmi	428,736	434,999	431,480	447,738	**441,460**
Troilus	825,767	818,820	745,131	678,237	**685,590**
Closed properties	19,612	21,897	21,378	18,647	**19,203**
Inmet Total w/o Ok Tedi		2,552,667	2,430,760	2,954,810	**4,069,424**
MASHA	27,499,141	30,237,705	31,138,692	31,524,037	**34,029,192**

N/A = not applicable NR = not reported

Location	LTIF					Severity				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli	0.7	0.9	0.8	0.5	**0.7**	62	990	15	31	**1,029**
Cerattepe			0.0	0.0	**2.3**			0	0	**39**
Cobre Las Cruces			8.4	1.3	**1.9**			84	10	**40**
Ok Tedi	0.2	0.1	0.0	0.1	**0.1**	125	2	1	129	**3**
Pyhäsalmi	2.8	3.7	2.8	2.7	**0.5**	107	80	25	71	**19**
Troilus	0.7	0.0	1.9	1.2	**0.3**	38	49	288	55	**41**
Closed properties	0.0	0.0	0.0	0.0	**0.0**	0	0	0	0	**0**
Inmet Total w/o Ok Tedi	1.1	1.1	1.6	1.1	**1.2**	61	524	101	39	**219**
MASHA	1.2	1.1	0.9	0.7	**0.7**	170	77	77	170	**132**

Location	TIF					DIF				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli	1.8	2.7	2.3	3.4	**2.4**	0.7	1.1	1.0	1.5	**1.2**
Cerattepe				0.0	**2.3**				0.0	**2.3**
Las Cruces			8.4	1.7	**4.4**			8.4	1.3	**2.1**
Ok Tedi	2.4	3.0	1.0	0.4	**0.6**	0.7	0.4	0.3	0.3	**0.3**
Pyhäsalmi	3.3	5.1	5.6	5.8	**3.2**	2.8	3.7	4.2	2.7	**0.5**
Troilus	3.9	4.4	3.8	3.8	**1.5**	0.7	0.7	2.1	2.1	**0.6**
Closed properties	0.0	9.1	9.4	0.0	**0.0**	0.0	0.0	0.0	0.0	**0.0**
Inmet Total w/o Ok Tedi	2.8	3.7	3.5	3.5	**3.1**	1.1	1.4	2.0	1.8	**1.5**

Global Reporting Initiative Indicators (cont'd)

GRI Social Performance Indicator LA7 (cont'd)

Location	Number of fatalities				
	2003	2004	2005	2006	**2007**
Çayeli	0	1	0	0	**1**
Cerattepe	0	0	0	0	**0**
Las Cruces			0	0	**0**
Ok Tedi	1	0	0	1	**0**
Pyhäsalmi	0	0	0	0	**0**
Troilus	0	0	0	0	**0**
Closed properties	0	0	0	0	**0**

G3 Social Performance Indicator LA10

Average hours of training per year per employee by employee category

Using Pyhäsalmi as an example, our supervisors receive the most training and nearly double that of hourly workers, while managers receive 10 percent less training than supervisors.

Location	Average hours of training (employees)					Average hours of training (contractors)				
	2003	2004	2005	2006	**2007**	2003	2004	2005	2006	**2007**
Çayeli	48	11	22	15	**40**				6	**8**
Cerattepe					**16**					**8**
Las Cruces				13	**38**					**3**
Ok Tedi	209	189	20	21	**171**				16	**34**
Pyhäsalmi		7	8	11	**29**		7			**7**
Troilus		44	55	40	**58**		2	2	7	**2**
Closed properties	5	17	52	50	**42**	0.5	0.5			
Exploration					**24**					

G3 Mining and Metals Indicator MM13

Number of new cases of occupational disease by type. Describe programs to prevent and reduce occupational disease.

There were no new cases of occupational disease in 2007.

Each of the operations has an employee health check system and workplace monitoring system in place. Identified health hazards are controlled at the source.

The Closed Sites have workplace monitoring systems. All properties have committed to reviewing their systems in 2008.

Glossary

Acid drainage

When sulphide minerals come into contact with oxygen in the air or in water they break down and form dilute sulphuric acid. This acid breaks down any rocks and minerals it comes into contact with, and when the rocks and minerals break down, they release metals. High concentrations of acid and metals in water can severely damage aquatic ecosystems by affecting fish and the smaller organisms that fish depend upon for survival. Acid drainage is one of the most serious environmental risks associated with mining.

Biodiversity

The number and variety of organisms found within a specified geographic region.

Communities of interest

Any person or group of people that may be affected positively or negatively by the financial, safety, environmental and social aspects of our operations, and those who have an interest in, or those who have an influence on our activities. Communities of interest are also referred to as stakeholders.

Concentrate

The mineral having economic value that remains after impurities have been removed from mined ore. The minerals are concentrated by crushing, milling and metallurgical processing.

Development project

A mining project that is in the permitting or construction processes but which has not yet begun commercial production.

Disabling Injury and Disabling Injury Frequency (DIF)

A work-related injury to an employee or contractor that prevents him or her from resuming their normal work duties on their next regularly scheduled shift. Disabling injuries include modified work cases and lost time injuries. Disabling injury frequency is the number of such injuries per 200,000 work hours.

Exceedance

A monitoring value that exceeds a permit limit or other government-regulated limit.

Fugitive dust

Small particles of airborne waste rock or tailings which are most noticeable when conditions are windy. Fugitive dust can pose a risk to human health if it contains substances like silica that should not be inhaled and is a risk to the environment if it contains sulphide minerals. We control fugitive dust with water and chemicals that bind the dust particles together so they're less likely to be picked up by the wind. In some cases we consider enclosing areas to limit the ability of wind to transport the material.

Global Reporting Initiative (GRI)

A multi-stakeholder network of thousands of experts, worldwide committed to sustainability reporting – the world's most widely used Sustainability Reporting Framework.

G2

The second sustainability reporting framework issued by the Global Reporting Initiative in 2002.

G3

The third sustainability reporting framework issued by the Global Reporting Initiative in 2006.

Gold doré

A bar of semi-purified gold, often called gold bullion. Gold doré is approximately 90 percent gold; the remaining 10 percent is mostly metals like silver and copper.

Intermediates

A product that has undergone partial processing and is used as raw material in a successive production step.

ISO 14001

A standard for environmental management systems that has been developed by the International Standards Organization. It defines what the organization should do to manage processes that influence the impact of the organization's activities on the environment. Organizations can be certified to the ISO 14001 standard if their environmental management system meets the criteria established by the standard.

Glossary (cont'd)

Lost time injury (LTI)

A workplace injury to an employee or contractor that prevents them from returning to work for their next regularly scheduled work shift. Such injuries also do not allow the worker to resume work on a modified work basis. Lost time injury frequency is the number of injuries per 200,000 work hours.

Marl

A crumbly mixture of clays, calcium and magnesium carbonates and remnants of shells.

OHSAS 18001

A standard for health and safety management systems. The Occupational Health and Safety Assessment Series (OHSAS) is intended to help organizations control and reduce occupational health and safety risks. It was developed in response to widespread demand for a recognized standard against which operations could be certified and assessed. Organizations can be certified to the OHSAS 18001 standard if their health and safety management system meets the criteria established by the standard.

Paste-fill and paste-fill barricade

Paste-fill is fine grained crushed rock containing clay and some binder (commonly cement) used to backfill the large voids left in the ground by mining operations. We construct paste-fill barricades (fences) at the entrance to open voids underground. These barricades hold the semi-liquid paste-fill until it hardens.

Pre-development property

A mining and/or processing property that is being considered for development.

Pyrite

An iron sulphide mineral with the chemical formula FeS_2. Pyrite commonly occurs in rocks containing copper and zinc, and is generally considered as a waste. Pyrite from Pyhäsalmi is sold to produce sulphuric acid.

Severity

Severity is a measure of the seriousness of workplace disabling injuries. The number of work days lost through disabling injuries is converted into a rate expressed as the number of workdays lost per 200,000 work hours.

Spot market

A market in which goods, services, or financial assets are traded for immediate delivery.

Sulphides

A mineral compound of sulphur and some other element, often a metal. Because they can contain valuable elements, sulphide minerals are mined. Our concentrates are composed of sulphides of copper, zinc and iron.

Total Injury Frequency (TIF)

A rate measuring the combined number of medical aid, modified work and lost time injuries per 200,000 work hours.

Third party

A separate company or individual other than the principals involved – typically a company hired to provide an unbiased examination and evaluation of the financial and/or corporate social responsibility statements of an organization.

Contact information

To ask questions or to learn more about our sustainability initiatives and results, please contact **Dr. Craig Ford**, Vice President, Safety, Environmental and Community Affairs (SECA) at:

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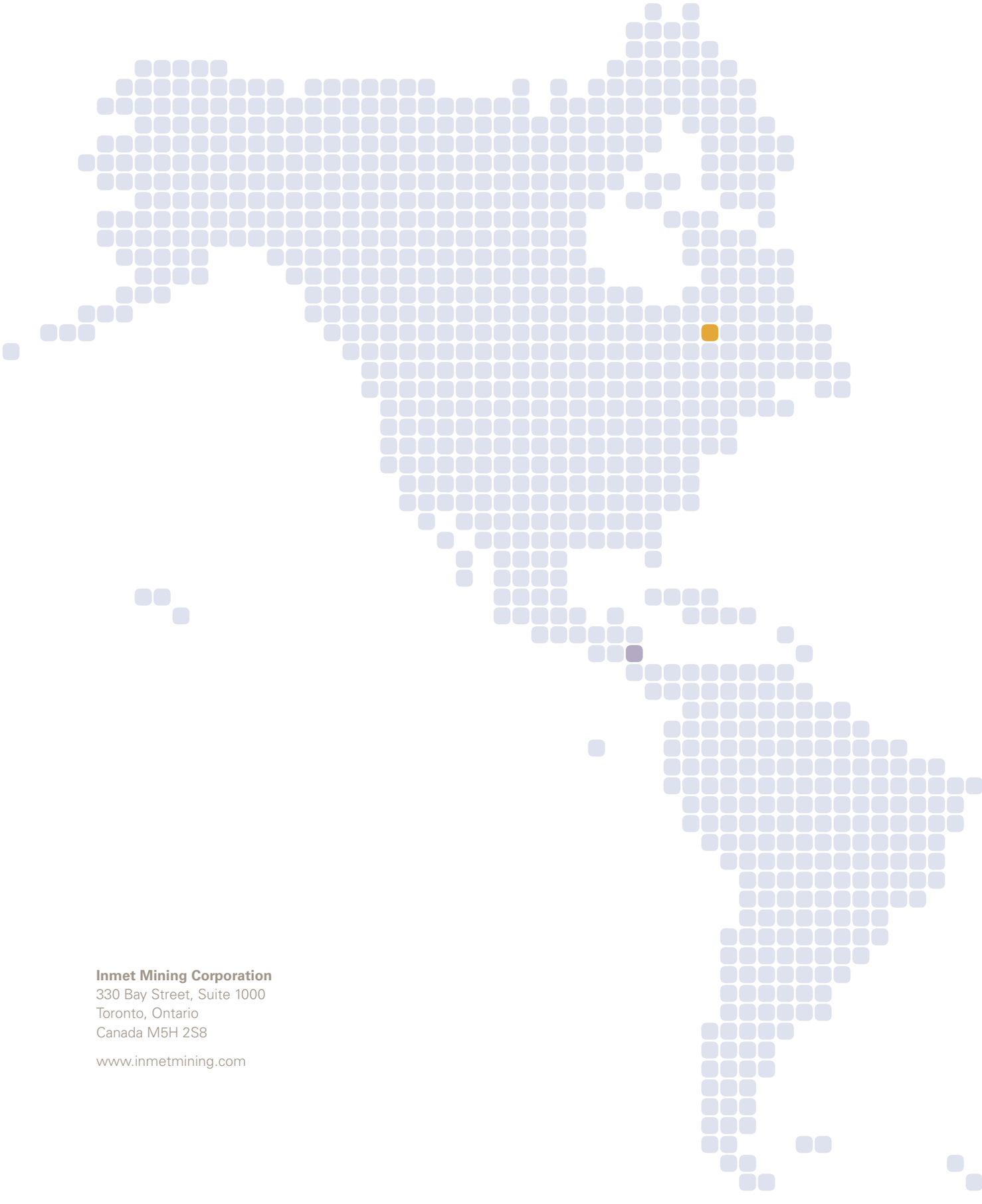

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