

Operate safely

Performance on our core values

2008 Safety performance

- 0 fatalities
- LTIF decreased by 20 percent
- Injury severity decreased by 89 percent
- TIF was 45 percent higher than in 2007
- DIF was eight percent higher than in 2007
- Safety guidance protocols were developed for nine activities having a high consequence should an incident occur
- Safety training was increased at operations

SAFETY

Our 2008 safety performance, as measured by trailing indicators, was mixed in 2008. Our LTIF (an injury that prevents an employee or contractor from returning to work on their next regularly scheduled shift, even for modified work) improved by 20 percent year-over-year. The severity of workplace disabling injuries decreased by 89 percent and was the best performance in our history. Our TIF and DIF performance was disappointing from a statistical standpoint. TIF increased 45 percent year-over-year because of a 77 percent increase in medical aid cases. Medical aid rates increased at all active operations and development properties except Troilus. Although some aspects of our 2008 safety performance was disappointing, it was achieved in the context of a 45 percent increase in work hours, primarily at Las Cruces and Petaquilla. The increased work hours at Las Cruces were during the most hazardous phase of the construction. At Petaquilla, we started building a safety culture in an underdeveloped part of Panama where such cultures are not prevalent.

Much of the company-wide increase in medical aid cases was attributable to Petaquilla where there were 24 reported cases in 2008, up from zero in 2007. This increase was the result of two factors; the more than seven-fold increase in work hours, reflecting the increased level of advanced exploration and environmental baseline activity, and the fact that we hired on-site paramedics to ensure the health needs of our workforce were being adequately addressed. All injuries, whether they were minor or not, were referred to the paramedics and were recorded as medical aid cases. In response to this, we modified our company-wide definition of medical aid in early 2009 to include only those workplace injuries that actually require medical attention. This modification will allow us to better understand the root causes of true medical aid cases and to take action to address those causes.

Our DIF increased by eight percent from the 2007 results because of a 118 percent increase in the modified work rate. We have been concentrating on reducing disabling injuries for several years. We have also been working with our operations to implement modified work programs to help injured employees and contractors return to productive roles more quickly, rather than becoming an LTI. Modified work rates increased at Çayeli, Minera Panamá and Pyhäsalmi. Historically, the modified work cases at these operations would have been LTIs. Despite the success of our modified work programs, the employees and contractors involved were not able to return to their regular jobs and we remain focused on reducing such injuries.

As in previous years, we compared our LTIF against the Mines and Aggregates Safety and Health Association (MASHA), an Ontario mining industry safe workplace association. Our LTIF (without Ok Tedi) in 2008 was 0.9 injuries per 200,000 work hours compared to the MASHA rate of 0.6. This is the fifth consecutive year that our LTIF performance has trailed the MASHA LTIF performance, after four consecutive years where we out performed the MASHA results. There were a total of 28 LTIs across the organization, not including those at Ok Tedi. More than 70 percent of them involved contractors.



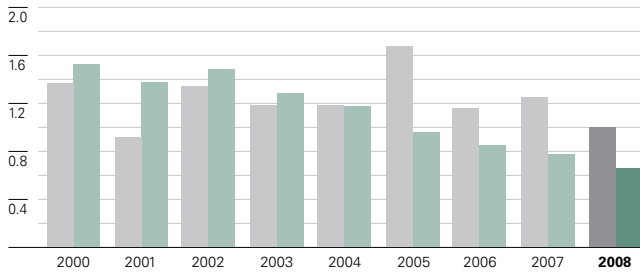
Mine rescue teams are required to train while working with self-contained breathing apparatus, or SCBA. Here the team practices applying first aid to a volunteer while wearing their SCBA.

Inmet Safety Task Force

Managing directors and senior safety staff from our majority-owned mines, developments and Closed Properties conference biweekly with Inmet management personnel by phone to discuss safety and health controls and improvements. The Safety Task Force shares safety successes and challenges, and assesses and improves occupational health and risk assessment tools and use.

Lost time injury frequency

(does not include Ok Tedi)
 ■ Inmet ■ MASHA



OCCUPATIONAL HEALTH

We did not complete the identification of all workplace exposures and the assessment of our existing monitoring programs as planned for 2008. Our operations did however continue with their ongoing monitoring programs. Çayeli continued with automated and spot check exposure monitoring programs for dust and air quality. Our Closed Properties continued to identify, check and assess confined spaces. Onsite medical staff at Troilus continued to monitor occupational health. During monitoring at Troilus, one new case of Reynard’s disease, known as white knuckle disease, was identified in 2008. This disease primarily affects joints on a person’s hand and is the result of overexposure to vibration.

Pyhäsalmi continued to improve its monitoring of workplace exposures by completing workplace surveys for noise, radon, dust and chemical exposure in the mill, and a vibration assessment in the mine. The surveys led to improved exposure controls.

Our operations management recognize the importance of continuing to improve our occupational health systems, including exposure identification, risk assessment and monitoring. Safety Task Force members committed to sharing their experiences on health exposure identification, monitoring and assessment, related training and to improving their site programs in 2009.

We will be better positioned to achieve our safety improvement targets by improving:

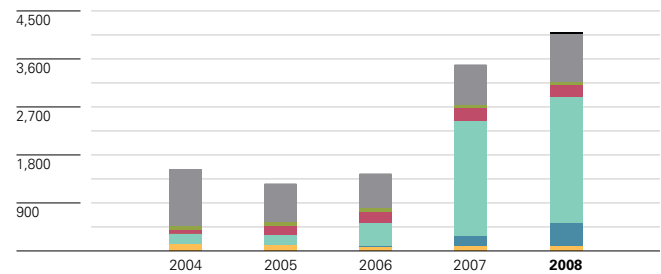
- Communication of our safe-work planning and practices
- Standards for safe work and safe-work behaviour
- Hazard identification and risk assessment
- Workplace and work practice inspection and observations
- Coaching and mentoring
- Competency-based training that focuses on safe and healthy behaviour

As part of improving site programs, we firmly believe that competency-based training is critical to provide our employees and contractors with the necessary skills to properly identify workplace hazards and have knowledge of the steps to be taken to reduce the exposure to such hazards.

We also introduced an Exploration SECA Guide (see page 22) to our exploration team. The team will work with our SECA personnel in 2009 to train on the guide and its related standards, requirements and management tools.

Number of workplace inspections

■ Çayeli ■ Cobre Las Cruces ■ Troilus ■ Exploration
 ■ Ok Tedi ■ Pyhäsalmi ■ Closed Properties



First aid training at Pyhäsalmi: the mine hosted an emergency drill organized by local Red Cross. Our first responders appreciated the exercises and suggested we conduct such drills more regularly.