

EVENT: INMET MINING CORPORATION Q4 RESULTS  
CONFERENCE CALL  
TIME: 08H30 E.T.  
REFERENCE: INMET MINING-CC-021109  
LENGTH: APPROXIMATELY 35 MINUTES  
DATE: FEBRUARY 11, 2009

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

OPERATOR: Good morning, ladies and gentlemen. Thank you for standing by. Welcome to the Inmet Mining Corporation fourth quarter results conference call. At this time, all participants are in a listen-only mode. Following the presentation, we will conduct a question-and-answer session. If anyone has any difficulties hearing this conference, please press \* 0 for operator assistance at any time.

I would like to remind everyone that this conference call is being recorded on Wednesday, February 11th, 2009 at 08:30 a.m. Eastern time.

I will now turn the meeting over to Mr. Richard Ross, Chairman and Chief Executive Officer. Please go ahead, sir.

RICHARD ROSS (Chairman and Chief Executive Officer, Inmet Mining Corporation): Well, good morning everybody and welcome to Inmet's fourth quarter conference call and webcast.

Joining me today are members of Inmet's management team and I will give a brief overview of the quarter and then Jochen Tilk, our President and Chief Operating Officer, will bring you up to date on the operations and development properties. Jim Slattery, our Vice-President and Chief Financial Officer, will then review our financial position.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

As you will see, we reported a net loss of \$32.5 million in the fourth quarter, or a loss of \$0.67 a share. Included in this loss were asset impairment charges totalling \$36 million which pertains, for the most part, to a write-down of substantially all of our investments in the Cerattepe property in Turkey. The decision to write off our investment follows the court ruling cancelling our operating licences.

Before taking into consideration the asset impairment charges, we reported a small profit for the quarter. The substantial decline in earnings this quarter was due to lower metal prices and significant finalization adjustments in relation to our third quarter sales.

Factoring both of these items, our realized copper price for the quarter was \$0.50 a pound. In spite of this remarkably low copper price realized, we essentially broke even, which should give you some indication of the level of copper prices in relation to our breakeven earnings position.

Although we are experiencing extremely adverse market conditions, based on the strength of our balance sheet entering into this downturn and our relatively low operating costs, we do not expect these conditions to have any impact on our ability to meet our production forecasts in 2009. In addition, copper prices would have to drop substantially further from their

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

current levels of around \$1.50 a pound for us to significantly curtail our capital plans at our operations or at Petaquilla.

We of course will also complete the final project instruction capital at Las Cruces this quarter and would anticipate capitalizing some of our start-up expenditures prior to reaching commercial production levels mid this year.

We will continue to monitor market conditions and react as necessary to ensure we maintain our financial strength throughout this downturn. We currently anticipate that we will be able to finance any capital requirements from our operating cash flow.

You will note that in our release this quarter we have provided estimates of our operating earnings and operating cash flow for 2009 in order to give you a better sense of the strength of our cash flow and ability to meet our capital requirements. Jim will comment on this a little later in the call.

My final comment pertains to the Spanish Water Authority who has recommended to the provincial Mining Authority that Las Cruces be allowed to resume mining in the pit and to commence operations of its process plants. Although there is one condition outstanding, we believe that we will be able to start mining shortly and our estimates for production

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

and cash flow for 2009, which are consistent with the forecast we published in December, they are achievable.

I will now turn the call over to Jochen to elaborate more on this and to comment on our other operating activities and development properties.

JOCHEN TILK (President and Chief Operating Officer, Inmet Mining Corporation): Thank you, Richard. Good morning.

There are a few issues that I would like to highlight today. Firstly, I would like to make a few comments regarding our operations, particularly in the context of the current metal price environment. Secondly, I would like to update you on where we stand at Las Cruces. And finally, I will comment on our activities in Panama to advance the Petaquilla project.

Before I get to the operations, I'd just like to say a few words about Cerattepe. As we indicated in our quarter update, we decided not to proceed with the Cerattepe project in Turkey and, as a result, have written down our investment in the project. We have remediated the site and permanently closed off the ramp access.

All employees of the subsidiary holding the project have either been laid off or transferred to our Çayeli operations. We cancelled equipment orders and there's no further outstanding liability associated with the Cerattepe project.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

We will pursue the appeal in the Supreme Court as the cost associated with that is small. However we don't expect that the outcome of the appeal will have an impact on our decision not to proceed with the project as we feel that it would be more productive for us to focus our resources in our other growth opportunities.

Now moving on to our operations. As stated in our press release, we're proud to have achieved record production at each of our Çayeli and Pyhäsalmi operations.

Çayeli has been on a steady path of improvement and it is reassuring to see the result of all the projects that have been implemented over the past three years. Our 2009 production targets for Pyhäsalmi remains the same as it was in 2008. Çayeli's target for this year is 1.2 million tonnes, which is 8 per cent above the 2008 production and represents the final increment in our long-term objectives.

At Troilus, we will reach the end of life of the open pit shortly and expect to be mining the stockpiles beginning in the second quarter. These stockpiles will carry the operation through until the second quarter of 2010, at which point we will commence with reclamation of the site. Because mining material from the stockpiles will be carried out with a smaller workforce, Troilus' operating cost will be the lowest in its history. In regards

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

to closure costs, we estimate Troilus' closure will cost around \$14 million, which is based on a recent assessment and includes owners' cost to conduct this work.

Ok Tedi experienced some operational challenges with the in-pit crusher move which took longer than expected and the commissioning of the sulphur remover plant.

The latter (inaudible) Ok Tedi to mine higher sulphur skarn material without putting the great environmental burden on the river system since the plant removes pyrite that is then permanently stored in a containment area. Commissioning of the system is now well advanced and Ok Tedi expects to mine skarn ores that were previously disparate(?) because the plant was not yet ready for operations. Ok Tedi's high estimate for gold production in 2009 is directly tied to these skarn ores.

In addition to meeting our production targets, our focus in 2009 will be on maintaining competitive costs at our operations. You will have noticed that on average, our average realized copper price in the quarter was \$0.50 due to the concentrate settlement. Even at this price, as Richard already mentioned, our operating earnings were essentially neutral and our cash flow was positive. Going forward, we will make every

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

effort not to only preserve the cost profile of our operations but to improve on them when we see the opportunity to do so.

Moving on to Las Cruces. As you will have read, we received confirmation from the Water Authority that our action plan has been accepted and that the incorporation of water purification at the operation addressed their concerns. The Water Authority has recommended in writing to the Mining Authority that it allow Las Cruces to resume mining activities at the bottom of the pit subject to Las Cruces reducing the water level in its holding ponds. We're now waiting written feedback from the Mining Authority confirming their acceptance of the recommendations.

To give you a bit more detail, these holding ponds serve as a temporary containment area for contact water that is collected mainly from the bottom of the pit. The water can only be released after it has been treated by reverse osmosis or lime neutralization.

Until treatment was in place these ponds were allowed to accumulate water and the Authority now wants us to create a buffer for storage of contact water by bringing the levels down before we start excavating the ore from the bottom of the pit.

We are currently treating and releasing water from these ponds and expect to be in a position to commence mining during the first week in

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

March. That would allow us to deliver ore to the plant around March 21st and produce the first cathode(?) from the plant during the middle of April. Plant construction is completed and commissioning is going well.

As you can imagine, we look forward to seeing the first ore running through the system. We also mentioned that the inclusion of water treatment in the de-watering and re-injection system will require an amendment of the existing de-watering and re-injection permit which on under Spanish regulations will be subject to public comment.

The authorities have confirmed that this process will occur while Las Cruces is allowed to operate. We therefore do not anticipate that the public comment process will have an impact on Las Cruces production going forward.

And finally, a brief update on Petaquilla. Following the completion of the acquisition of Petaquilla Copper and Teck's interest in Minera Panama last year, the Panamanian company holding the Petaquilla concession is now owned 100 per cent by Inmet and we also control the copper project.

In our December update, we informed you that we anticipate spending about 75 million U.S., around 94 million Canadian in 2009. We expect to spend a similar amount in 2010.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

The three main areas of activity are drilling to establish a new National Instrument 43-101 compliant reserve and update resource completing fund and engineering and design work based on 150,000 tonnes per day throughput scenario and preparing the environmental and social impact assessment for review and approval by the Panamanian authorities.

Our cost estimates are based on a two-year program that will allow us to complete these activities and make a final decision to proceed with construction by the end of that period.

We have also begun to explore options for including equity partners in the development of the project. This process is at a very early stage and we have not yet arrived at any specific arrangements.

This concludes my remarks on operations and development projects. Thank you. Now back to you, Richard.

RICHARD ROSS: Thanks very much, Jochen. Jim, would you please give us some comments about our financial position?

JAMES SLATTERY (Vice-President, Finance and Chief Financial Officer, Inmet Mining Corporation): Thank you, Richard.

As Richard indicated, we did provide some additional cash flow disclosure in our press release. Using the assumptions laid out in that

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

release, our 2009 operating cash flow from operations would be approximately \$313 million. This would more than cover our forecast 2009 capital expenditures of \$286 million, leaving us with over \$550 million in cash by the end of the year to cover debt service and dividends.

In 2009, the principal repayments on the Tranche A of our Las Cruces credit facility will be approximately \$29 million. This debt is at the Las Cruces levels. Until Las Cruces achieves completion, as defined under its credit agreement, this debt is severally guaranteed by Inmet and our partner, Leucadia, with Leucadia's portion covering 30 per cent of the outstanding amount.

We expect the tranche bridging facility of \$80 million to be repaid as Las Cruces receives subsidies from the Spanish government by the end of April 2009. This debt is also guaranteed on a several 70/30 basis by us and Leucadia and this should be considered when assessing our net cash positions at the end of 2008.

Another point in this regard is that the \$131 million of our long-term debt represents a portion of our minority partner's contribution to the development of Las Cruces. This debt is non-recourse to Inmet and will also be serviced and repaid from Leucadia's 30-per-cent interest in CLC.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

On balance we expect to be able to generate strong cash flows from... in the current metal pricing environment. With our very conservative capital structure and significant liquidity balance, we're confident in our ability to fund our operations and our growth objectives.

That's all I wanted to point out. I'd be happy to deal with any other questions as they arise.

Richard?

RICHARD ROSS: Thanks very much, Jim. Well, ladies and gentlemen, that concludes our formal remarks. So, Operator, would you please open up the call for questions?

OPERATOR: Thank you. Ladies and gentlemen, we will now conduct the question-answer session. If you have a question, please press the \* followed by the 1 on your touchtone phone. You will hear a tone acknowledging your request. Your questions will be polled in the order they are received. Please ensure you lift the handset if you are using a speakerphone before pressing any keys. One moment please for your first question.

Your first question comes from David Charles, of GMP Securities. Please go ahead.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

DAVID CHARLES: Yes, good morning. Richard or Jochen, I'm just wondering, could you explain to me under what type of a permit will Las Cruces operate during the public review process given that you've yet to receive the go ahead from the Mining Authority?

And maybe sort of just as a corollary to that, given your plans for the moment, you've indicated a production profile for this year, I'm just wondering is there any risk to that production profile given that the mining has yet to start up? Is it possible that you'll do better or even do worse?

JOCHEN TILK: Good morning, David. I'll take a shot at that. The first to the first question, Las Cruces operates under a number of permits and the specific permit that was suspended is the permit to de-water and re-inject water from the aquifer. When that suspension was issued by the Water Authority, the Mining Authority followed with its own suspension of mining at the bottom of the pit because that's what they regulate.

So there's two sets of suspensions or letters that we received saying you can't de-water and re-inject, or that permit is suspended and then you can't mine at the bottom of the pit.

Then subsequently to that, the Water Authority allowed us to treat and re-inject water from a specific sector. And you may recall that we had received that permission in the fall, once we had implemented water

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

treatment. So at that point in time, we were actually allowed, despite the suspension, to run the entire de-water and re-injections system while we were treating water from one particular area which was really the only area of concern.

However, the letter from the Mining Authority that we were not allowed to return in the bottom of the pit was still enforced.

What we anticipate now, David, is that the suspension will remain in place as it was issued but that we, of course, continue running the de-water and re-injection system as we have since the fall, since we commenced treatment. We then expect to receive a letter from the Mining Authority that will specifically address the suspension that we had for mining in the bottom of the pit which was really a follow up to the Water Authority's letter.

So they will lift... we expect them to lift that particular restriction.

And then going forward, we will operate with essentially a variance on the suspension on the de-water re-injection system and then at the same time to be allowed running just mining ore from the bottom of the pit.

And then in parallel, there will be a public review process or public comment process to ensure that water treatment is acceptable and we view that, and the Authorities most certainly view that as a formality, then

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

the permit will be amended and reissued and that would be the end of the process.

So that's to your question on what (inaudible). It's well laid out. It's well thought through and certainly very consistent with the rules and regulations of that particular area. To your second question, the answer is, of course there is. Any time we make any production forecast, we have certain risks that if anything happens that we wouldn't be able to meet them.

This current production forecast is based on the assumption that we will be mining beginning of March, that we'll be delivering ore somewhere around the 21st and that we'll be able to produce cathode in April.

If we can do that, then give or take – and these forecasts are approximate forecasts – give or take, we hope that we can do that. If we don't receive certain permissions or we have technical difficulties, then that will be impacted. And likewise, of course, you know, if the ramp up moves faster than we anticipate, that would be good news.

But at this point in time, that's our forecast based on the assumption that I laid out.

DAVID CHARLES: And, yes, I understand that it is a forecast. I mean, how confident are you that the processing plant will start up and

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

basically act the way you expect it to act? I mean, you haven't really had a lot of opportunity, if I understand what it says in the press release, to sort of test it to a great extent so far.

JOCHEN TILK: Well I mean, that's pretty obvious. It's a new plant. And we don't have ore yet. But maybe to give you just a little insight from where we draw our confidence from, you know, we've been... we completed essentially construction somewhere around the end of the year. So more or less mechanical completion was achieved toward the end of last year. That means that most of the pipes, essentially all the instruments and certainly all the civil and steel work was completed.

Since the beginning of the year, we're mostly commissioning. We started commission the crusher plant and we actually moved the material from a nearby quarry. So we're been crushing rock for quite some time. You know, been crushing steady to make sure that all its circuits are running properly.

We've commissioned the grinding circuit, we've commissioned the filtration circuit. We have water commissioned. Wet commissioned. All the agitators, the reactors, the whole solvent extraction electrowinning is fully commissioned with water. The cranes that move material are fully

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

commissioned. All the interfaces, that means all the control programs are commissioned.

So that's work that's been done and that's been going on now for probably... well, a month and a half and will continue for another six weeks before we actually pour cathode.

So you know, that's where we draw our confidence from is really how commissioning is going and it's going quite well. At the end, you know, you're absolutely right. By the time we put ore through the system we'll have some new experiences and we'll go from there. But we are reasonably confident that we can achieve that.

DAVID CHARLES: Excellent. Thank you very much.

JOCHEN TILK: Thanks, David.

OPERATOR: Your next question comes from Orest Wowkodaw, of Canaccord Adams. Please go ahead.

OREST WOWKODAW: Hi, good morning, and thanks for taking my questions. I have two questions. First is for Jim. Jim, I was hoping maybe you could break out on your long-term debt, I guess the end of the year with close to 500 million, could you just break out what the debt maturity schedule looks like in terms of the repayment schedule, on a year-by-year basis?

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

JAMES SLATTERY: Sure. That I think actually will be included in our annual review, but the amounts that are maturing in, within the next year is 29 million on the credit facility, the Tranche A, 80 million on the Tranche B.

OREST WOWKODAW: Right.

JAMES SLATTERY: And that Tranche B, as I said, we're anticipating that'll be fully funded by subsidies that will be received by the Spanish government. We would expect approximately the same amount from Tranche A to be maturing in 2010. The reason I say expect is that there's a required course, or mandatory repayment and then there's a repayment, a cash suite clause which depends on debt service coverage at the CLC operations. So then the bulk of that facility will be repaid evenly over the next four years.

OREST WOWKODAW: Over four years. And what about the Tranche B?

JAMES SLATTERY: The Tranche B is all gone by the... It should be all gone by the end of April or shortly thereafter, once we've received the subsidy payments from the Spanish government, and it goes to pay down the Tranche B.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

OREST WOWKODAW: Okay, and then what about this loan from non-controlling shareholder?

JAMES SLATTERY: Well, essentially that's their capital contribution to CLC. It could either be in the form of a non-controlling interest. It happens to be in the form of an interest-bearing loan for various other reasons. That has a maturity of 2022 or something.

OREST WOWKODAW: Okay.

JAMES SLATTERY: Towards the end of the mine-life and that is... it's non-recoursed in and it's really effectively their capital in the project and it will be serviced and repaid out of the cash flows of CLC.

OREST WOWKODAW: Okay, great. And the second question just on Las Cruces. You're still talking about possibly shipping ore to a smelter. Is that still economic at the current copper price?

JOCHEN TILK: Yes, that's a really good question. Yes, we are talking about it. And it is economic because it is incremental. So in other words, we will be mining that material and we will be inventorying that material. And if we can ship it, if the smelter's accepted and the terms are reasonable, then it's incremental to our production in 2009. If we're not to ship it, then of course we'll produce it at the end of mine-life, which would be, you know, 13, 14 years from now. And copper prices will have to drop

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

quite substantially or, you know, on the flip side, treatment charges will have to go through the roof to make it uneconomic at current copper prices.

We have a little bit of a benefit because shipping rates have come down dramatically and so there's a bit of an offset in comparison to a year ago. What it depends on is very much whether or not the smelters have... continue to have an interest. The contracts are still in place, but because of the delay, of course, there is an opportunity for people to walk away from it. And we'll determine that at the time when we actually mine that material. We'll connect back to them and see whether they're still interested and if they are, we'll ship it. And if not, we'll inventory it and run it through the hydromet(ph) plant.

OREST WOWKODAW: Okay, so basically if we want to be conservative, we should assume you'll probably stockpile it.

JOCHEN TILK: Well, you know, it's your call, Orest. But I think I explained it quite well, I hope, how things will evolve.

OREST WOWKODAW: Okay, well, thank you very much.

JOCHEN TILK: Thank you.

OPERATOR: And your next question comes from Onno Rutten, of UBS Securities. Please go ahead.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

ONNO RUTTEN: Yes, good morning, everyone, and I guess we can call this the Las Cruces call. A few more questions about the DRS permit. Which Authority is actually in charge of reissuing that revised permit once the public review process has been completed?

JOCHEN TILK: It's the succeeding authority to what was previously Confederacion Hidrografica del Guadalquivir, or CHG. And one thing I didn't mention is that the Authority for the water in the basin of the Guadalquivir as of January 1st of this year was moved from the federal authority, CHG, or Confederacion, to the local, to the regional authority and it's a new authority that didn't exist before. We call it the Water Authority, Departamento del Agua. And that is under the Environment, the Department of Environment, Departamento del Medio Ambiente. So where before it was a federal authority, it is now part of the Department of Environment of the Province of Andalucia.

So that's a restructuring. Many of the people who were there in the federal office are still there. They just moved across the street to their new offices. So this newly-formed provincial Water Authority is responsible to issue that amended permit.

ONNO RUTTEN: And that was exactly the reason for asking the question. I mean, confidence is being expressed in that that process

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

should not be a cumbersome one. But given all the changes, first of all, given all the changes in the Authority, and secondly, the opportunity for the public to once again express any concerns, is this a run race or is there certain risks to this process?

JOCHEN TILK: I don't think so. The... I mean, the statute is pretty clear that if there is a material change to any of these permits and there has to be a public review process, it's not... there's no public meetings. There's no public gatherings involved from that. It's a written comment period of 30 days, which is very common. It would be the same probably in North America. So it's an opportunity to comment on it.

The reason why we believe and are confident, first of all it's because the Authority is confident. And trust me, Onno. They have never held back if they wanted to tell us that they had concerns there.

ONNO RUTTEN: Yes.

JOCHEN TILK: (Inaudible) when it comes to that. So, listen, they expressed the utmost confidence that this is a formality.

Secondly, I can assure you and I know for a fact they would have never accepted to... allowing us to mine at the same time if they had even the slightest concern that this amendment would not, you know, just be a due course in process.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

You know, that would have been for them a definitive reason to consider a different approach. And essentially by virtue of allowing us to go back into the pit or recommending to the mining authority to allow us to go back in the pit, they certainly conceded that they don't see any problem whatsoever.

And a third reason, you know, in that regard is that all the technical documentation that was collected virtually over the past nine months is very extensive. I mean, there are more independent third-party reports than you and I probably have ever seen in a process like that. And that gives people a strong technical confidence that all the T's are crossed and the I's are dotted.

So for those three reasons, I honestly believe, and my personal experience in this process, that this is really a formality. It might take six to eight months, but we're not worried about it because we will mine and produce just concurrently.

ONNO RUTTEN: Six to eight months, despite only that 30-day public review, there's just a lot of bureaucracy to cross there, in the end. Is that...?

JOCHEN TILK: It is a lot of bureaucracy, and it's a lot of paperwork and I think our estimates, you know, should be conservative in that regard.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

And that's what we believe, just based on experiences people had in similar processes.

ONNO RUTTEN: Okay, and then two more questions quickly on Las Cruces. Mine development and sustaining capex together are 41 million Euros. Is this still let's say a lingering capex from the initial development or should we consider this as sustaining capex levels going forward?

JOCHEN TILK: No, I wouldn't suggest that that's representative of levels going forward. You know, we draw the line I think it's July 1st when we get into production, at which point in time our investments become sustaining capital and mine development.

And that's very common. I mean, you see that in any construction project, any new... that there is a fairly conservative estimate of initial sustaining capital because the reality is there will be adjustments, you know, there will be one piece of equipment or the other that needs to be improved or changed.

And, you know, to be honest, whether or not you would technically roll it into original capital or whether, because there's a time cut-off that we chose called sustaining capital, it's a bit academic, but I think that's really a pretty standard approach.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

Your question on is that what we should assume going forward? No, you should not. And we'll provide you in due course with what we think is a reasonable estimate.

ONNO RUTTEN: Okay, but no numbers today to aim for 2010-2011?

JOCHEN TILK: No, I don't have a number.

ONNO RUTTEN: Okay, and lastly, it's being suggested that after two months period, you wouldn't be capitalizing Las Cruces anymore, you would actually be expensing it, flow it through the income statement. Does that mean that you believe that you would be up to 60, 70 per cent of throughput within two months?

JAMES SLATTERY: Yes, that's the estimate. It's July 1st is the cut-off date, which I guess that's the April, May, that's about three months. So, you know, yes, within three months, we believe that we'll be at 60 per cent of production, or thereabouts.

ONNO RUTTEN: Okay, and when at 90 and 100, year end or sooner than that?

JAMES SLATTERY: We have a nine-month ramp-up, at which point in time we get to our design capacity.

ONNO RUTTEN: Okay, perfect. Thanks very much for the details.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

JOCHEN TILK: Thank you very much.

OPERATOR: And your next question comes from Greg Barnes, of TD Newcrest. Please go ahead.

GREG BARNES: Yes, thank you. Jochen, I'm just curious on the treatment charges this quarter. They dropped substantially. You're running close to 50 million a quarter on average, basically for the last year or so, and they dropped to only 32 million this quarter. I just struggle to figure out why.

JOCHEN TILK: On our treatment charge for that particular quarter.

GREG BARNES: Yes.

JOCHEN TILK: Just give us a second here. Yes, Greg, our assessment is, and we just have to look at that for a second here, is that it's related to volumes, particularly zinc. When you look at the sales of concentrate and zinc, you'll see that that was lower.

GREG BARNES: A dramatic drop though, just for the zinc concentrate.

JOCHEN TILK: Yes, and I mean, the charges there are... I think the... well, the difference in the quarter, well, it's year to year, it was 20 million in 2007 and 12 in 2008. So there's a difference of about 8. And most of that would be... would be related to volume.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

GREG BARNES: So it's not like you have an old contract rolling off that had price participation on copper concentrate. You're rolling into a contract that doesn't have price participation.

JOCHEN TILK: No, no, it's really... Actually, if you go in the press release and you look at page 8 where the sales volumes are shown, you will see that the tonnage in 2007 of zinc metal was 24,000 and...

GREG BARNES: But even in the third quarter 08...

JOCHEN TILK: Yes, yes.

GREG BARNES: Fourth quarter 08.

JOCHEN TILK: That's correct, on the third quarter. And you look at it now, it was 13,600. So there's a significant difference in volume. The difference is 44 per cent.

GREG BARNES: Okay, I'll have a look at it.

JOCHEN TILK: Yes, just look at the sales volume, look at the tonnage, compare it quarter to quarter, year over year and you'll see there's a significant difference and that should be the difference.

GREG BARNES: Okay. Fair enough. Thanks.

JOCHEN TILK: Thanks, Greg.

OPERATOR: Ladies and gentlemen, if there are any additional questions at this time, please press the \* followed by the 1. As a reminder,

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

if you are using a speakerphone, please lift the handset before pressing the keys.

Your next question comes from John Redstone, of Desjardins Securities. Please go ahead.

JOHN REDSTONE: Yes, good morning. Most of my questions have been answered. Two quick ones. First and foremost, without giving away any confidential secrets, can you tell us which smelters you would send the ore to from Las Cruces?

JOCHEN TILK: Las Cruces produced... Oh, you mean the crushed ore or the cathode?

JOHN REDSTONE: Yes.

JOCHEN TILK: You know, the main product is cathode.

JOHN REDSTONE: No, no, the ore.

JOCHEN TILK: And the answer on cathode is I can't... I cannot. And the ore, I don't want to specifically say who it is, but it's a destination in China.

JOHN REDSTONE: Okay. That's interesting. And the other thing is on Petaquilla itself, it's not unusual even at this early stage to start looking at potential destinations for the concentrate from that project. Have you

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

gone down that road at all in preliminary discussions with any smelters out there, or are you going to wait until you have a strategic partner in place?

JOCHEN TILK: No, it's too early. I mean, obviously, you know, we think about it, but it would be too early to enter any definitive or advanced discussions. So the answer is no, we have not. It's really a thought process, an exploratory process that we're going through right now.

And, you know, there are not that many players in this market. So, you know, of course the obvious is that when you look at who are the recipients of concentrates, you know, those are the parties that we anticipate talking to going forward.

JOHN REDSTONE: All right, thanks very much.

OPERATOR: Gentlemen, there are no further questions at this time. Please continue.

RICHARD ROSS: Well, thank you very much for the questions and maybe the next time we'll be speaking to you in fact will be at the end of the first quarter. And I just thought I'd give you a bit of a heads up. This year, our annual general meeting of our shareholders in fact will be held in the Inmet offices this year. So we have chosen not to have a location outside the office. And of course, we strongly welcome our shareholders to come to our office and attend the meeting at that time.

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »

And of course, we'll also continue on broadcasting that AGM and then also our quarterly earnings call by telephone as well.

So we look forward to speaking to you then. Thanks for your interest. Have a good day.

OPERATOR: Ladies and gentlemen, this concludes the conference call for today. Thank you for participating. Please disconnect your lines.

\*\*\*\*

---

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que Groupe CNW ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. Groupe CNW ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »