

## CORPORATE PARTICIPANTS

**Jochen Tilk**

*President & Chief Executive Officer*

**James Slattery**

*Vice-President & Chief Financial Officer*

**Scott Herr**

*Vice-President, Mining*

**Wendy Kaufman**

*Vice-President, Finance*

## CONFERENCE CALL PARTICIPANTS

**Nawojka Wachowiak**

*Genuity Capital Markets*

**David Charles**

*GMP Securities*

**Onno Rutten**

*UBS Securities*

**Lawrence Smith**

*Scotia Capital*

**John Redstone**

*Desjardins Securities*

**Greg Barnes**

*TD Newcrest*

**Peter Campbell**

*Jennings Capital*

## PRESENTATION

### 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 the conference, please press start zero for operator assistance at any time.

I would like to remind everyone that this conference call is being recorded on Wednesday February 10, 2010 at 8:30 AM eastern time.

I would now like to turn the meeting over to Mr. Jochen Tilk, President and Chief Executive Officer. Please go ahead, sir.

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### Jochen Tilk, President & Chief Executive Officer

Good morning. Thank you for joining Inmet's fourth quarter conference call. With me is Inmet's Senior Management team. I would like to briefly highlight the events of the fourth quarter and then turn it over to Jim to comment on certain financial aspects of the quarter.

Earnings for the quarter were \$19 million, \$1.60 per share. Cash flow from operations was \$126 million or \$2.24 per share. We benefitted from strong metal prices and good operational performance at Çayeli, Pyhäsalmi, Troilus and Ok Tedi. As a result, cash costs for our copper production were \$0.22 per pound and for our gold production from Troilus \$202 per ounce.

In our press release of January 19<sup>th</sup> we provided you with our production targets for 2010, then update on the ramp up at Las Cruces. After touching on some operational highlights for the fourth quarter, I'll provide you with additional comments on the steps we have taken at Las Cruces to achieve commercial production and design capacity by May and August, respectively.

A few operational highlights:

We are very pleased with Troilus' performance for the quarter. 2009 was a year of record milled throughput. We are also pleased with the successful conclusion of

the negotiations with Çayeli's labour union in December and believe that the new three year agreement is a positive outcome for both our workforce and the company.

Pyhäsalmi also maintained its consistent results with a strong quarter. At Troilus, we continue to recover lower grade stockpiles, which resulted in low operating costs for the quarter of \$9 per tonne milled. We will finish milling the remaining stockpiles for the end of June and continue without closure activities to ensure the orderly remediation of the site.

Ok Tedi's performance improved due to high mill throughput in the quarter. Ok Tedi is nearing completion of the modifications to the sulphur removal plant and expects to be able to process more sulphurous skarn ores going forward. Ok Tedi also completed the drainage tunnel underneath the open pit and is once again free draining without the need to pump.

Regarding the conversion of Inmet's equity interest into a 5 percent NSR, the government indicated its consent to the transaction. We are now waiting to pass such a relevant tax legislation in PNG and the completion of new shelled arrangements for Ok Tedi to move forward with closing of the transaction.

On to Las Cruces. In our fourth quarter press release we provided you with a detailed chronology of the operational challenges that we have experienced during initial six months of the ramp-up. We have addressed many of these issues but also recognize the need for further upgrades from the process plant to achieve commercial production and then full production. We are there to develop and will implement a comprehensive plan that covers all aspects of the ramp-up of activities from technical changes to management processes.

Here are some highlights of this plan:

For example, we have identified the need for additional filtration in the area of water treatment. This requirement became apparent during significant rainfalls in December and January. We are now procuring mobile filters as an interim solution with the expectation to install permanent additional filtration at a later time. We expect to have that interim filtration capacity in place before May.

- We have scheduled a two week shutdown in March to address a number of operational bottlenecks that were identified during the initial ramp-up period. The more significant project is the refurbishment of the leach thickener with permanent corrosion resistant components.

- We have engaged third party experts to provide advice and recommendations on further improvement opportunities. We will implement these opportunities where applicable during the upcoming months.
- We have engaged experienced plant operators from South America to guide and provide advice to our plant operators.

These are just a few examples of the activities that we have laid out in our action plan. We will provide an update on the progress we make on implementation in our first quarter results press release.

A few words on Cobre Panamá: We are on track for completion of the fea study and the environmental and social impact assessments. We expect to provide you with an update on the fea study results before March 31<sup>st</sup> as we had indicated earlier.

Regarding the option agreement with LS-Nikko, we granted LS-Nikko a one-month extension to February 28<sup>th</sup> at its request as it continues discussions with other Korean parties regarding the incremental 10 percent equity interest in Minera Panamá. Having said that, we cannot say at this time whether or not LS-Nikko will ultimately opt for a 20 percent or 30 percent interest.

This concludes my comments. Now onto you, Jim.

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**James Slattery, Vice-President & Chief Financial Officer**

Thank you, Jochen.

Earnings were \$1.60 per share versus a loss of \$0.67 in the same quarter of 2008 and there were really two major reconciling items. The first was the impact of metal prices. The depressed market in the fourth quarter of last year coupled with finalization adjustments resulted in realized prices of \$0.50 and \$0.46 a pound for copper and zinc respectively in that quarter.

This quarter we realized \$3.31 per pound for copper and \$1.11 a pound for zinc. Gold was also up by about \$300 an ounce at \$1,110. So the gross basis, the improved metal price environment accounted for an approximately \$162 million swing in operating earnings or about \$2 a share. For the second part there was an asset impairment charge in the fourth quarter of 2008 largely for Cerattepe amounting to \$36 million. This compares to

a charge of \$3.5 million that we made this year as we were not able to realize what we had hoped for on the disposal of certain assets at that development project.

Cash flow from operations was approximately \$126 million, financing over \$60 million of capital and development expenditures in the quarter and increasing our year end unrestricted cash balance to \$534 million. In addition to the \$100 million of liquid investments, we have over \$635 million of funds to assist in the financing of Cobre Panamá with only \$18 million of unrelated third party debt outstanding.

Those are really the basic points I wanted to underline, Jochen.

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**Jochen Tilk, President & Chief Executive Officer**

Thank you very much, Jim. I would now like the operator to open the line for questions, please.

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**Operator**

Certainly. For telephone participants, if you are on a speakerphone today, please lift your handset before making a selection. You may press star one on your telephone keypad to ask a question. And if at any time you wish to cancel your question you may press the pound key. Once again, please press star one at this time if you have a question. There will be a brief pause while participants register and we thank you for your patience.

The first question will be from Nawojka Wachowiak from Genuity Capital Markets. Please go ahead.

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**Nawojka Wachowiak, Genuity Capital Markets**

Yes, good morning. It's Nawojka speaking here. I just have a couple questions. One, on Las Cruces, I'm just looking at some of the data that you laid out for us and in terms of commercial production you're targeting 67,000 tonnes, so are we going, should we just be assuming that in the first four to five months really there's going to be a very limited amount of production out of the asset?

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**Jochen Tilk, President & Chief Executive Officer**

Nawojka, that's a good assessment, because we obviously say commercial production in May which is 60

percent and up to that point, you know, we are going through these changes. So you are quite correct that the initial quarter, the initial months leading up to that has some limited production.

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**Nawojka Wachowiak, Genuity Capital Markets**

So basically we really should be thinking about this March shutdown as being kind of the main trigger point for improvements and up to that point we really shouldn't be expecting significant improvements from the asset.

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**Jochen Tilk, President & Chief Executive Officer**

That's correct. We're obviously operating and we continue operating up to that shutdown but the shutdown involves some very major improvements and we view them as very significant to make that step change.

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**Nawojka Wachowiak, Genuity Capital Markets**

Okay. And just a couple more questions. On Çayeli, you mentioned some changes to your deep sea tailings permits and some legislation alterations. Could we just have a little more detail on that and I guess what we can expect out of that process?

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**Jochen Tilk, President & Chief Executive Officer**

Sure, Nawojka. I'll turn it over to Scott Herr, our Vice-President, Mining.

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**Scott Herr, Vice-President, Mining**

Just a comment on the permit. We have received an extension to our deep sea tailings discharge permit. The government itself has asked us to look at an options that would allow a deposition under a different area of the law, a deposition law rather than a discharge or a waste discharge law.

We've provided that information as being considered and the government will form their opinion as to what the best way to go is regarding the legislation. Right now we're on an extension. The regulators are clearly supportive of what we've been doing and we'll continue to operate that way while we reach a final solution.

**Nawojka Wachowiak, Genuity Capital Markets**

So I mean I guess it's reading between the lines, are you concerned that this is going to be an issue in the future or is this just sort of a change in how they view the permitting process?

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**Scott Herr, Vice-President, Mining**

It's really changes in view. It's not much different from what we've experienced on previous renewals. That is, just going through the steps and making sure that they're comfortable with the areas of the law that are being addressed with the permit.

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**Nawojka Wachowiak, Genuity Capital Markets**

Okay, fair enough. And just one final question before I let everyone else have a chance here. On Ok Tedi you mentioned, in terms of the change in structure, you did mention BHP's approval as being required. Did I miss something or is that something that you received already or did I miss an announcement somewhere?

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**Jochen Tilk, President & Chief Executive Officer**

Yeah, it's a step in between, Nawojka. The consent provided by the National Executive Council, the NEC, which is really a cabinet, the government Papua New Guinea, was a resolution, it was a government decree, and they approved the time sheet of the NSR. But they also approved the necessary tax legislation to ensure that there will be no stamp tax and that the withholding tax would be equal to the dividend on the NSR. And we then subsequently said in the documentation that we would like that respective legislation to be passed in Parliament to ensure that it's valid and ratified. So it's just a step that, you know, for our own benefit we'd like to see to ensure that when the NSR is tabled, signed, and registered that that provision in tax legislation is enforced.

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**Nawojka Wachowiak, Genuity Capital Markets**

Okay, great. Thank you so much.

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**Jochen Tilk, President & Chief Executive Officer**

Thank you, Nawojka.

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**Operator**

Thank you. The next question will be from David Charles from GMP Securities. Please go ahead.

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**David Charles, GMP Securities**

Yes, good morning. I was just wondering, Jochen, I know it sounds like you really don't want to go into a lot of detail on the Cobre de Panamá LS-Nikko deal but I'm just wondering just quickly are you surprised that there was a delay on this? And I suppose if you're not surprised do you think that there could be a further delay? Do you think that the deal might be extended further, rather than asking you the difficult question, which is do you think they'll go for 30 percent or 40 percent?

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**Jochen Tilk, President & Chief Executive Officer**

I'll start with the last part of your question. I don't know that. We don't know that. Obviously they are in discussions and so when they asked for that one-month extension, they did that on that basis, and we thought it was very appropriate sense during the middle of that. And whether or not they could ask for another one, again, I don't know that. But I think the more relevant question whether at the end we would be inclined to give them another extension and again, we would have not, we haven't determined that. At this point in time what's out there is they have some, there are ongoing discussions. We're aware of that and if asked for another 28 days to bring that to a conclusion and we'll see what the outcome is.

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**Operator**

Thank you. The next question will be from Onno Rutten from UBS Securities. Please go ahead.

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**Onno Rutten, UBS Securities**

Yeah, good morning, Jochen. Good morning, everyone. Quickly on Çayeli: That extension to the permit, how long is that extension valid for?

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**Scott Herr, Vice-President, Mining**

Yeah, Onno, that's an indefinite extension.

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**Onno Rutten, UBS Securities**

And the process you are going through, would that essentially be targeting another getting of another permanent permit in place for another five years?

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**Scott Herr, Vice-President, Mining**

Yes, that would be the intent, Onno, whether it's some type of what we're calling a deposition permit or whether it's an extension of the existing discharge permit.

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**Onno Rutten, UBS Securities**

And the legislation with regards to deposition versus, let's say, waste disposal, if you would be categorized differently would that involve a full EIS, et cetera, before you could sign in, let's say, under the different part of the law?

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**Scott Herr, Vice-President, Mining**

No, there's no indication of that.

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**Onno Rutten, UBS Securities**

Okay. And then, while I have you, there was some mention there about realigning the hatch frame; have there being slope stability issues surrounding the mine site?

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**Scott Herr, Vice-President, Mining**

Well really there have been slope stability issues over time. The hillside in the entire area is moving slowly and has really since the beginning of the mine. So now at this stage after so many years of operation we chose to do some work to better align the head frame. We did that last year and took up half of the difference. We'll take up the remainder of the difference this year. Nothing that has compromised the operation of the hoist or head frame.

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**Onno Rutten, UBS Securities**

So a very standard gradual movement, no sudden movements along that very steep hill.

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**Scott Herr, Vice-President, Mining**

Right.

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**Onno Rutten, UBS Securities**

Okay, cool. Thank you.

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**Scott Herr, Vice-President, Mining**

And I think in its implementation a very successful project. A very good project.

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**Onno Rutten, UBS Securities**

Okay, okay. Good to hear. And then quickly on Las Cruces: First of all, any updates there on the permitting for to be allowed to be direct shipping ore? The high-grade ore?

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**Jochen Tilk, President & Chief Executive Officer**

No real update, Onno, other than that we are in discussions and that we are making progress in identifying the avenues and the process but no further update otherwise.

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**Onno Rutten, UBS Securities**

Okay. And then lastly, or two more on Las Cruces: First of all, that SX fence that had to be cleaned, was that sludge or scaling?

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**Jochen Tilk, President & Chief Executive Officer**

It was gypsum, mostly gypsum that had been caught in that picket fence. And it was really a lack of operating or understanding of the appropriate operating procedure. It is common to pull out that fence and clean it periodically. The operators were not aware of that, were not instructed and so that fence collected gypsum and other crud. It became awfully heavy to the point where it actually caused the settler to crack, which then caused some significant delays. We now know to clean it. We'll pull it out periodically and clean it.

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**Onno Rutten, UBS Securities**

But are you observing gypsum scaling in other sections of the downstream plant?

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**Scott Herr, Vice-President, Mining**

We do observe gypsum scaling, yeah. We do have gypsum. But, again, I think that's part of the whole process and not unexpected.

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**Onno Rutten, UBS Securities**

Okay. And then on the project in March, sure, the thickener was always, the thickener mechanism was always a target, but spending that amount of money with almost 1,000 people inside, et cetera, what other improvements are you going to make to that plant?

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**James Slattery, Vice-President & Chief Financial Officer**

Yeah, there is a few, I'll mention a few and then turn it over to Scott and he can get into detail.

The number of contractors is, you know, we thought it's a number of 800, but when you look at it, how it will work is we've got six, maybe eight areas, and then we run on five shifts. So you really have twenty people in one designated area per shift and I think that puts it in perspective. Also, of the 800 people, a reasonable contingent, about 20 percent, 25 percent, maybe a quarter are frequently upside or permanently upside and assisting us in maintenance and these kind of things. So again, some of them are very familiar with the site. Others have been involved in construction and they actually return from and have some previous experience.

And the main activities that will be done, one is we will eliminate one transfer on the discharge of the tailings filtration. That's been a major headache for us because every time the material hits that transfer it tends to block up and then there's a major shutdown to clean it up. That transfer will be eliminated and the belt will be a straight one flight and flat rather than going down into this transfer. There's also a couple of bottlenecks at the discharge of thickness that are a problem for us. They are small. I give you one example, one of the thickeners has a discharge pipe of 1.5 inches and cannot cope, even remotely cope with the quantities. And in hindsight that's undersized, no question about it and we'll fix that,

we'll put a bigger discharge in there to allow for that. So that's another job.

The exchange of components that we have identified which we believe could put the operation at risk because of corrosion, you know, leech taking on being the biggest one with a chap and even the bridge, which is not stainless steel. Those will be replaced and then we put in permanent fixtures that are potentially either stainless steel or somehow a corrosion resistant material, it's like fibreglass. There are other replacement of pipes, cables, things that we have identified over time and put on the list to be fixed and that we then put in the context of that shutdown.

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**Onno Rutten, UBS Securities**

So that adds up to \$35 million euro? All that?

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**James Slattery, Vice-President & Chief Financial Officer**

No, I'm not sure where that number is coming from, Onno. There's a lot of things going on in the plant beyond that, so it's...

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**Onno Rutten, UBS Securities**

The MD&A says sustaining CapEx and plant improvements, \$35 million euro. Sustaining CapEx wouldn't be, I'm guessing here, \$5 million, \$7 million?

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**James Slattery, Vice-President & Chief Financial Officer**

The water treatment plant is in that. The permanent water treatment plant.

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**Onno Rutten, UBS Securities**

Including that new filtration plant then as well?

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**James Slattery, Vice-President & Chief Financial Officer**

Well, the new filtration would not be there. I just don't have the breakdown for you, Onno. In fact, no, it's not, we're in discussion with our original suppliers and

contractors as to the payment for some of these changes which were clearly design deficiencies. So there's a whole host of items in there over the course of the year.

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**Jochen Tilk, President & Chief Executive Officer**

Yeah, I think just for clarification of, break it out. So, this shutdown, you can't tie this shutdown directly into the amount of capital, because there are many other items, including the water treatment plant, the permanent water treatment plant for the DRS system and the pit and so on, which we talked about earlier. On this particular shutdown, the two costs that are obviously that we are facing is the cost of material that we put in and also the cost of labour. We do take the position in many of these items that we're not responsible for the changes and in many instances have reached some agreement with the manufacturer or the EPCN that they bear the cost, because they see that they have that responsibility. So, you know, that's a different issue.

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**Onno Rutten, UBS Securities**

Okay. Thank you very much. Good luck.

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**Jochen Tilk, President & Chief Executive Officer**

Thank you, Onno. Thanks.

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**Operator**

Thank you. The next question will be from Lawrence Smith from Scotia Capital. Please go ahead.

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**Lawrence Smith, Scotia Capital**

Good morning. I will limit myself to two questions. Both relate to Ok Tedi.

Could you give a little more detail on the timing of when you think the royalty will be finalized?

And secondly, could you give some guidance on what the tax treatment will be from the royalty interest? I guess kind of the way to phrase it would for each \$100 of royalty paid in cash, what would the taxes be paid on that? Thank you very much.

**Jochen Tilk, President & Chief Executive Officer**

Yeah, as to the timing, it does depend on the government passing that law. And, as I said, I think theoretically we could perhaps table and execute the NSR prior to that event and then rely on the passage of the law to ensure that the tax treatment is as we expected. And, as I said, the two main components is the exemption of tax over stamp duty, because otherwise this could be deemed as a transfer of an asset and stamped duty could apply. And then the treatment of the NSR with a 10 percent withholding tax which is equal to the dividend withholding tax that we pay for on the dividend we receive for equity interest. So we want to make sure that we're treated in the same way as we would expect to maintain our equity interest. In order to ensure that there is no risk or exposure on any form of dispute or uncertainty or, you know, a discussion subsequent. It is our preference not to execute the documentation until that law is passed so that we have that certainty.

And of course we have an understanding but little control over what, how and when they will pass it. We do definitely, we expect that to happen over the coming months and that's the indication the government has given to us and particularly since they have signed an executed resolution to Cabinet. But it's now in the hands of Parliament to pass it. So that's, it really is a bare bulb initiative, a form of risk mitigation or risk management to ensure that those tax laws are in place to prevent any uncertainty later on.

As to the tax treatment, well there is dividend withholding tax which is equal, I'm sorry, there is a withholding tax which is equal to the dividend withholding tax and that is 10 percent. I'm not sure if there is any other guidance on tax treatment. I'm looking to Wendy, Wendy Kaufman.

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**Wendy Kaufman, Vice-President, Finance**

There's really, there's a (inaudible) that gets triggered once we convert to the NSR, but we have (inaudible) to cover that. Other than that, really you're looking at the withholding tax on the NSR.

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**Lawrence Smith, Scotia Capital**

Sorry, just to clarify, so let's say the NSR amounts to \$1 million a year, you're saying there would be \$100,000 withheld and the rest would flow. There would be no other taxes paid on the \$900,000 flowing to Inmet?

**Wendy Kaufman, Vice-President, Finance**

That's approximately right.

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**Lawrence Smith, Scotia Capital**

That seems almost too good to be true. Thank you very much.

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**Operator**

Thank you. The next question will be from John Redstone from Desjardins Securities. Please go ahead.

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**John Redstone, Desjardins Securities**

Hi, good morning, gentlemen. Most of my questions have been asked. Two quick things. Firstly, I noticed when you were talking about the filtration units at Las Cruces, you say you want to put in mobile filters in the first quarter and I'm just wondering why you don't go straight to a permanent unit given that all 40 units have their own idiosyncrasies, you are going to have to have downtime to get that to work. Then you have to put a new deal in. I would have thought you would know the capacity you need. Why don't you just go to a permanent unit?

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**Jochen Tilk, President & Chief Executive Officer**

John, that's a really good question. The reason for that is because we can get a temporary unit faster than a permanent unit and it is a major milestone because what we have done is we've allocated one of the tailing's belt filters to the neutralization plant and by doing so we have now the capacity to reach subsequent to the shutdown commercial production for that. We can operate that at that capacity. And then in order to get to full capacity we have to get this belt to the back into tailings and provide that incremental neutralization filtration capacity to the water treatment plant.

And in our discussions with manufacturers, we believe that if we wait for a permanent filter or one that's to be permanently installed that it would take longer than a mobile unit. We've procured it; in fact, we've gone already, some of the operators have gone to Barcelona and Spain to inspect some units. And given the relatively small capacity, about 10 tonnes an hour, we think we can get a mobile pressure filter or some sort of filter to the site, commission it, use it and then replace it later on with

a permanent solution without having to suffer the curtailment of capacity. That is the only reason.

I'll liken that to the solution that we have put in place on the DRS system. When we realized, subsequent to the loss of the water authorization, that we needed treatment, we flew in mobile reverse osmosis units and were up and running within a matter of six weeks. So a month and a half we had full treatment going in the DRS. And we're now replacing that with a permanent plan, part of the capital that Onno pointed out. So it's the same type of approach in get an interim fix and then replace it permanently, but it will allow us to get that capacity.

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**John Redstone, Desjardins Securities**

All right. And then the second point I just wanted to confirm, it says in your write-up that you, at Las Cruces you've reached 5/9 quality copper. I just wanted to know just how easily you can sustain that quota? What's the variation there on the quality of the copper that you have produced so far?

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**Jochen Tilk, President & Chief Executive Officer**

I think two things that we have been very fortunate with. One is the recovery in the leech plant has been consistently about 90 percent and the quality of the copper we produced has been consistently about 5/9 copper and a very good quality.

So to your question whether we can sustain that, I think it really depends on the ability to keep the electrolyte solution from which we draw the copper is maintained to be pure and clean because that's normally when problems occur, if there is contamination and thus far we have been fortunate. We don't have any crossover with that good quality. The operators are, and I share that confidence, quite confident that we can maintain the quality. Never had a, have not had a problem on copper quality.

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**John Redstone, Desjardins Securities**

Thank you.

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**Operator**

Thank you. The next question will be from Greg Barnes of TD Newcrest. Please go ahead.

**Greg Barnes, TD Newcrest**

Thanks, Operator. Jochen, how much copper are you actually producing from Las Cruces now on a daily basis or a weekly basis?

**Jochen Tilk, President & Chief Executive Officer**

Well, it depends. It fluctuates. We've got very good weeks and we have the capacity to produce up to about 600 tonnes a week. And if we have issues or difficulties, of course, then we have interruptions in the plant which has been our experience that we've had in previous months where we've had pipes breaking as an example, a fibreglass pipe that we then have to replace and that might be anywhere between a day, a day shutdown, something like that. And of course then that 600 tonnes would go over to something less. So we do have the capacity to get to that point and when we have the reliability we can achieve that. If we don't have that, we have interruptions.

**Greg Barnes, TD Newcrest**

That was 600 tonnes a day?

**Jochen Tilk, President & Chief Executive Officer**

No, a week.

**Greg Barnes, TD Newcrest**

A week, sorry.

**Jochen Tilk, President & Chief Executive Officer**

That would be wonderful if that would be (inaudible)

**Greg Barnes, TD Newcrest**

How much did you produce in January?

**Jochen Tilk, President & Chief Executive Officer**

Don't want to really release those numbers. Appreciate the interest but I think just in terms of getting our flexibility I think Nawojka's question was right on. What people

encourage to do is really look at the ability to reach commercial production and we will report in the context of the quarter on that one as we make those fixes and put those improvements in place.

**Greg Barnes, TD Newcrest**

Okay. Just one further question on (inaudible). If LS-Nikko takes 20 percent or 30 percent, what is your plan beyond that in terms of adding partners or financing the CapEx for the project?

**Jochen Tilk, President & Chief Executive Officer**

Yeah, we've got lots of plans so we'd certainly look at a universe of options that ranges everywhere from maintaining that interest within the company to dealing and looking at further partnerships and some other options to effectively lower our exposure. For example, taking perhaps a smaller, overall interest in the capital requirements. And I can't talk to the specific potential partners but I can tell you that there is a number of parties that we have been in discussions and then one of the reasons why, you know, if you look at extensions of an option discussion we need to coordinate that with other discussions where with partners.

On the ability to look at different alternate funding mechanisms, I mean obviously we've talked about things like selling off the gold stream and the likes which would allow Inmet to effectively retain higher exposure to the copper stream. So those are options. And of course, one of the things that we look forward to is to be able to finally communicate officially the results of the feas study because that put, will put the economic parameters and metrics out in the product domain and also in discussions with some of these partners. So that is a major milestone and of course subsequent to that we've got, I think, a lot of alternatives.

**Greg Barnes, TD Newcrest**

Do you plan on having the sale done by the end of this year?

**Jochen Tilk, President & Chief Executive Officer**

That is the objective, to really to have a structure in place to partnerships and funding that would essentially nail down the path going forward.

**Greg Barnes, TD Newcrest**

By the end of 2010.

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**Jochen Tilk, President & Chief Executive Officer**

By the end of 2010, correct.

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**Greg Barnes, TD Newcrest**

Great. Thanks, Jochen.

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**Jochen Tilk, President & Chief Executive Officer**

Thanks, Greg.

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**Operator**

Thank you. As a reminder, if you have a question you may press star one at this time.

The next question will be from Peter Campbell from Jennings Capital. Please go ahead.

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**Peter Campbell, Jennings Capital**

Good morning, everybody. Actually, Greg just asked my question regarding potential future partners at Cobre Panamá but, if I may, could you maybe give us a little bit more detail on what the situation is with LS-Nikko and their acquisition of the 20 percent. Are they still trying to secure funding for the first 20 percent?

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**Jochen Tilk, President & Chief Executive Officer**

No. Our understanding is that LS-Nikko has, as you may recall, partnered up with a Korean-owned company called KORES, Korea Resources. Korea Resource is essentially owned by the South Korean Government. It's a mining company that looks at investments in the mining assets such as Cobre Panamá. So LS-Nikko and KORES effectively teamed up for this option arrangement.

The funding, a large part of the funding for both the option and subsequently the funding of the project will come through the South Korean Government and through a Korea EXIM, the Korean Export Development

Bank. So that's their internal funding mechanism to the extent that we understand it.

The additional partnership, which is essentially restricted to a Korean partner would, depend on LS-Nikko finding a private or a company in South Korea that has an interest. We understand and are aware of that. They are in discussion with multiple partners. We are not privileged to the status of those discussions. We do get some updates but it depends on that interaction and the conclusion of the discussions they are having. We don't think it's a funding issue.

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**Peter Campbell, Jennings Capital**

Okay, thank you. And then I guess one last question would be, we are rapidly coming up to middle of February, the extension expires at the end of February. Have they given you any indication that they are going to need an additional extension?

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**Jochen Tilk, President & Chief Executive Officer**

No, they have not. They haven't asked for it.

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**Peter Campbell, Jennings Capital**

Okay, thank you very much. That's all.

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**Jochen Tilk, President & Chief Executive Officer**

Thanks, Peter.

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**Operator**

Thank you. And there are no further questions registered at this time so I will turn the meeting back over to you, Mr. Tilk.

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**Jochen Tilk, President & Chief Executive Officer**

Well, thank you very much for your participation. That concludes the fourth quarter conference call and we look forward to talking with you next quarter.