

**David Beatty, Chairman of the Board**

Good afternoon ladies and gentlemen and welcome to Inmet Mining Corporation Annual Meeting of Shareholders.

My name is David Beatty and I am the Chairman of the Board of Inmet Mining. This is our 23<sup>rd</sup> Annual Shareholders Meeting and I will act as Chairman of the meeting and will ask Steve Astritis to act as secretary of the meeting. As the meeting is also being webcast, I welcome those who are following proceedings today on line and I would now like to call the meeting to order.

It is my intention to run the formal part of the meeting first and then to invite our CEO, Jochen Tilk, to address us, after which members of the management team and the board will remain to meet and greet you.

I'd like to start by introducing the head table. On my left is Jochen Tilk, our President and Chief Executive Officer. Next to him is Jim Slattery, our Vice-President and Chief Financial Officer and he is sitting next beside Steve Astritis, our Vice-President, General Counsel and Secretary.

We also have with us today our board and I would like them to stand as their names are called. You may suppress your applause until they are all standing, at which time an outburst of emotive display would be welcome. Dr. Yilmaz Argüden, Thomas Mara, James M. Tory, Douglas Whitehead, John Eby, and Wolf Seidler. Not with us today are two of our other colleagues, Paul Gagné and Oyvind Hushovd. Gentlemen, welcome.

I would now like to introduce members of the Inmet management team and I would follow the same procedure. Frank Balint, Vice-President of Corporate Development; Craig Ford, our Vice-President of People and the Environment; Scott Herr, Vice-President of Mining; Wendy Kaufman, Vice-President, Finance; Fernando Martinez-Caro, Vice-President, Engineering and Infrastructure; Ian Pirie, Vice-President, Projects; Sunny Lowe, Director, Global Taxation and Compliance; Cheryl Smith, Director of Human Resources and People Development; Stuart Tevendale, Director of Finance, Operations Controller; Josh Truyens, Director of Finance, Financial Controller; and Sheldon Yip, Director of Corporate Development and Investor Relations. These people really do deserve your applause. Thank you.

I'd also like to take a moment to pay tribute to Richard Ross for the incredible contributions he made to your corporation over the last 21 years with Inmet, the last 10 being as CEO and Chairman. When he first became the

CEO of Inmet that market capitalization was \$102 million and on the day he stepped down the market capitalization was \$3.2 billion. That represents a compound rate in excess of 40 percent a year; a truly remarkable achievement. But as impressive as the financial numbers are, the thing that I believe really differentiates Richard in leadership is the fact that he has given us the strong management team you have just welcomed and with whom I share the front and for that I think we owe him a profound debt of gratitude. Your Company has evolved not only strong financially but extraordinarily strong in the depth and richness of its management team. So we thank Richard for his strong stewardship of the Company, we wish him every future success, and we'll be celebrating his achievements in a month or two with him and his wife Diane.

Proof of service. Now on to the riveting part of the meeting. The secretary has advised me that he has received a statutory declaration from CIBC Mellon Trust Company as to the mailing of the notice of meeting, the management proxy circular and proxy. I hereby direct that a copy of the statutory declaration be kept by the secretary with the records of the meeting. Are you happy to do that Steve?

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**Steve Astritis, Vice-President, General Counsel & Secretary**

(Inaudible)

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**David Beatty, Chairman of the Board**

Excellent news. Declaration of a quorum. I have received the scrutineers report—I haven't actually.

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**Unknown Speaker**

(Inaudible)

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**David Beatty, Chairman of the Board**

It is there? And does it show that we have a quorum present? In the opinion of the scrutineer?

The answer is yes. Good.

A copy of the scrutineer's final report on attendance will be filed with the records of the meeting. I now declare the meeting properly constituted for the transaction of the business for which it has been called.

The formal agenda for today is set out in the notice of meeting. Before dealing with the items of business I would like to comment on the voting procedures. I would like to advise the meeting that unless there is any objection we're proposing to conduct the votes for each item of business by a show of hands. After this, Jochen and Jim will update you with respect to the execution of our business strategy.

The first item of business is to receive our consolidated annual financial statements for the year ended December 31, 2009 and the auditor's report relating thereto. A copy of the 2009 annual report that includes management's discussion and analysis of financial condition and the report of the auditors has been mailed to all shareholders on our supplementary mailing list and is also available on our website. I now lay the 2009 annual report before the meeting.

We can now proceed with the election of directors. The board has determined that ten directors are to be elected at this meeting to hold office until the next annual general meeting of shareholders or until their successors are elected or appointed. Particulars of the nominees are set out in the management proxy circular that accompanied the notice of meeting sent to you. The meeting is open for nominations.

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**Craig Ford, Vice-President, People & Environment**

Mr. Chairman, I hereby nominate Yilmaz Argüden, David Beatty, John Eby, Paul Gagné, Øyvind Hushovd, Thomas Mara, Wolf Seidler, Jochen Tilk, James M. Tory and Douglas Whitehead as directors of the Corporation.

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**David Beatty, Chairman of the Board**

Thank you, Craig. Are there any further nominations?

There being none, I wonder if I might have a seconder for that motion.

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

Mr. Chairman, I move that the nominations are closed and that the current nominees be elected directors to hold office until the next annual meeting of the Corporation or until their successors are elected or appointed.

**David Beatty, Chairman of the Board**

Thank you very much, Scott.

Is there a seconder?

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**Ian Pirie, Vice-President, Projects**

Mr. Chairman, I second that motion.

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**David Beatty, Chairman of the Board**

Thank you, Ian.

Would all those in favour of this motion to elect these directors as so nominated raise their hands?

I declare the motion carried.

As there are ten directors to be elected and the same number of nominees I declare the individuals so nominated to be duly elected directors of the Corporation to hold office until the next annual meeting or until their successors are elected or appointed.

The next item of business is the appointment of auditors. The current auditors of the Corporation are KPMG LLP. Will someone please move a resolution for the appointment of auditors?

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**Sunny Lowe, Director, Global Taxation & Compliance**

Mr. Chairman, I move that KPMG LLP be appointed auditors of the Corporation until the next annual meeting of the shareholders.

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**David Beatty, Chairman of the Board**

Thank you, Sunny. May I have a seconder?

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

Mr. Chairman, I second the motion.

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**David Beatty, Chairman of the Board**

Thank you, Wendy. You've heard the motion; would all those in favour please raise your hand?

Thank you. I declare the motion carried.

Ladies and gentlemen, that concludes the formal business of the meeting. A motion for the termination of the meeting is now in order.

Mr. Pirie, might you rise for the occasion?

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**Ian Pirie, Vice-President, Projects**

Mr. Chairman, I move that this annual meeting of shareholders of Inmet Mining Corporation be terminated.

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**David Beatty, Chairman of the Board**

Thank you, sir. May I have a seconder?

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

Mr. Chairman, I second that motion.

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**David Beatty, Chairman of the Board**

Thank you very much, Scott.

All in favour?

Any contrary?

The motion is carried.

Ladies and gentlemen, I now turn the meeting over to your Chief Executive Officer, Jochen Tilk, who will address you. Thank you very much.

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

Thank you, David.

Good afternoon. Welcome to Inmet's annual general meeting. Today I will provide you with an update on our general performance over the past year, the status of our projects, and our plans for the future.

Before I do that I would like to join David in thinking Richard Ross, who retired as our CEO and Chairman, on my behalf and on behalf of my colleagues who are here today and those who could not join us today. Under Richard's leadership the Company transformed through

the development of Troilus, the reorganization of the ownership structure of Ok Tedi, the acquisition of Pyhäsalmi, the consolidation of Çayeli and, most recently, the acquisition of Cobre Las Cruces. During that period, Inmet's share price appreciated significantly. On behalf of everyone at Inmet, thank you, Richard, for everything you've done for the Company.

As I now move to the presentation, please take a brief moment for our disclaimer regarding forward-looking statements.

2009 was a year of significant change at Inmet as we pursued our strategy to evolve as a mid-tier copper producer. When I spoke to you one year ago, the economy was showing signs of improvement and the outlook for commodities had gone from bearish to bullish in only a few months. At that time we had taken the position that the long-term outlook for copper was robust and that the shortage of advanced copper projects would give credence to our strategy. Today this sentiment would appear to be shared collectively by our industry and those who invest in it.

As we continue to run our operations in the prudent and responsible manner that Inmet is known for, we took two major steps to progress our strategic objective of entering the next tier of significant base metal producers. We commissioned Las Cruces in Spain after three years of construction and we advanced the Cobre Panamá project in Panama, one of the largest copper deposits in the world, and position ourselves for a rapidly-approaching construction decision. Cobre Panamá has the potential of reshaping our Company in an industry where the replacement of depleting resources is an ever-increasing challenge. Long-life, low-cost operating assets are key to building a successful mining company. The decision to advance a major development project towards a construction decision is, in our view, supported by two fundamental factors: the significant leverage we expect to deliver to our shareholders and the simple but most relevant fact that operating assets are not available at reasonable prices in the current market.

With the completion of the front-end engineering and design or FEED for Cobre Panamá only a few weeks to go, Inmet's reserves in contained copper increased substantially from around 1.3 million tonnes of copper to 10 million tonnes. Our measured and indicated resources, which include the reserves, increased from just about 6 million tonnes to more than 13 million tonnes. These figures represent our current ownership in Cobre Panamá of 100 percent and demonstrate the tremendous inventory of copper in Inmet's portfolio. Not only did the FEED study demonstrate the economic viability of the

project but it also estimated that cash costs should be at a very competitive US\$0.78 per pound of copper for the first 15 years of full production. This is an important conclusion as it means that we should maintain Inmet's position as a low-cost producer at a time when cash costs of mining projects have steadily increased.

With the successful execution of our growth plans, Inmet has the potential to more than triple its copper production by the year 2017. With Las Cruces in full production we expect to produce around 135,000 tonnes of copper per year. Cobre Panamá would not only compensate for the closure of Ok Tedi in 2014 but add incremental production to a total of more than 300,000 tonnes per year.

I've been frequently asked whether Inmet will contemplate the acquisition of a producing asset to bridge the gap between Las Cruces and Cobre Panamá. Of course we would, to the extent that such acquisition would be accretive to Inmet's existing production. The real challenge is with this concept that, as I pointed out earlier, producing copper mines are hard to come by and the likelihood of a quality operating mine becoming available for acquisition is, in our opinion, extremely low.

So why does our focus remain on growing Inmet's copper production? We certainly value by-products such as zinc, gold, pyrite as a significant contributor to our revenue at a low cash cost; however, we believe that the sustainability of higher margins in the copper industry provide Inmet with a solid foundation for growth. There's plenty of evidence that distinguishes copper in that way from other base metals. With the economic downturn in 2008, the street consensus on future copper prices became increasingly bullish on a positive outlook for emerging markets, in particular China. Even modest growth in copper consumption in relation to the supply side should support a sustainable strong copper price. In fact, the lack of mines that are currently in the development phase coupled with the exhaustion of existing operations is bound, in our view, to elevate copper prices in the years to come.

Having gone through the recent experience of constructing a major mine with Las Cruces in Spain, we truly appreciate the challenges of bringing new copper production online. In addition to the significant time requirements, general challenges of construction and regulatory constraints, our industry faces the new reality of having to bring into production resources with declining grades, deteriorating concentrate quality, and locations in areas of higher political risk. The minimum long-term copper price to justify the development of many of these projects is above \$2.50 per pound of copper, a price not

yet supported by financial institutions for the purpose of financing.

This situation explains why few projects have gone beyond initial evaluation studies and the ever increasing conundrum for our industry of long-term price assumptions that do not support the development of many known copper projects. Inmet is set to grow in this environment. We have a strong balance sheet. Our existing cash cost operations allow us to benefit from strong metal prices while ensuring that Inmet can sustain the cyclical nature of our business. Las Cruces is now ramping up and we expect it to be the main source of Inmet's near-term copper production and Cobre Panamá has the potential to significantly increase Inmet's production over the midterm.

Looking at our balance sheet, we currently have net cash of around \$618 million. Last June we shed 7.8 million common shares to raise net proceeds of \$334 million. We used the proceeds to pay off the Las Cruces project debt facility and become essentially debt free. We took this step to ensure that Inmet would be well positioned for the development of Cobre Panamá and to enhance a strong and credible position to negotiate partnerships for the project. In a second step to further strengthen the Company's balance sheet we just issued 9.3 million subscription receipts to a wholly-owned subsidiary of Temasek. The subscription receipts will be exchanged into common equities upon the amendment of Panama's Mineral Resources Code, at which time Temasek would become Inmet's largest shareholder, owning approximately 14 percent of Inmet's shares. Temasek and Inmet share the vision of the strong growth potential in the copper space provided by Cobre Panamá and we are pleased to welcome Temasek as a major shareholder.

While we significantly strengthened our balance sheet through the issuance of equity, we continue to rely on our operations as the main supporter for financing our growth. We have five active operations around the world: Çayeli in Turkey, Pyhäsalmi in Finland, Troilus in Quebec, an 18 percent stake in Ok Tedi in Papua New Guinea, and Las Cruces in Spain. Las Cruces is currently ramping up while Troilus is approaching the end of its mine life. All of our operations are situated in areas of low political risk and a history of stable governments.

At our copper mine and zinc mine in Çayeli we achieved production of 1.15 million tonnes in 2009, the highest annual tonnage of ore milled in the history of the operation. During the first quarter of 2010 Çayeli maintained this production level with 289,000 tonnes milled. Achieving these production levels in 2009 and the

first quarter of this year is the result of a long-term improvement program that our team at Çayeli has executed with great diligence and effort. Early this year Çayeli was also successfully renegotiating its three-year collective agreement with the labour unions. This is another great achievement demonstrating the positive relationship between workers and management at this operation.

Our copper and zinc mine, Pyhäsalmi, also completed a very successful year this quarter. We saw record copper recoveries and mill availability with both at 96 percent, which speaks to the tremendous competence and efficiency of the Pyhäsalmi team.

At our Troilus mine we will sadly reach the end of mine life in about three months time. Troilus has been processing stockpile ores for most of the past year and expects to complete processing ore by the end of June. Grades in the stockpiles have been higher than we anticipated and contributed to Troilus' strong operating performance over the past months. Site restoration began in 2009 to prepare for mine closure and we look forward to reclaiming the mine site with the same diligence and dedication that was applied during the active mining operation. When Troilus closes it will have produced more than 2 million ounces of gold. Although the last two years have been the most successful ones from a commercial point of view, every year since the start up in 1997 has been a credit to the exceptionally diligent and skilled workforce. Our thanks go to the team at Troilus for giving such a wonderful demonstration of a complete and successful lifecycle in our industry.

Ok Tedi, a copper and gold mine, completed a number of important milestones during the past year. The underground drainage tunnel has been commissioned and Ok Tedi is once again a free-draining open-pit mine. The commissioning of the sulphur removal plant has been difficult and impacted Ok Tedi's ability to process high-grade skarn ores at that time. We expect to exchange our 18 percent equity interest into a net smelter return royalty (inaudible) in the coming months. The terms of the exchange have been essentially settled and we are awaiting the passing of tax legislation to ensure that the tax treatment of the (inaudible) is consistent with our negotiated terms. Following the exchange Inmet will no longer be a shareholder nor represented on the board of Ok Tedi.

The efficiency of our operations and the benefit of having significant by-product metal credits have placed Inmet in the lower quartile of copper cash costs. In 2009 our cash costs averaged US\$0.44 per pound of copper produced. Las Cruces, with its high copper grades and fully-

integrated production is expected to be only minutely dilutive to our current cost. Cobre Panamá is expected to produce about \$0.78 per pound and we believe that at the time the mine is up in production and running it will be in the lower half of the cost curve as the cost of most of the existing world copper producers will have shifted upwards.

With our established operations running at a competitive cost, our highest priority now is to deliver on our targets set for Las Cruces. Las Cruces is our open-pit mine located in southern Spain. It is a fully integrated operation with an annual production target of 72,000 tonnes of copper cathode per year, of which Inmet's annual share is 50,400 tonnes. Life of mine cash costs are estimated at €0.48 per pound of copper for an expected mine life of 15 years. Capital expenditure to the end of 2009 was €590 million.

Las Cruces started planned operations in May 2009 and produced first copper cathode in early June of last year. Our initial ramp up was hampered by equipment failures at various stages of the process. Water management at both the pit and the plant became our number one priority as we need to ensure that we would comply with the rigorous standards set by the regulators. But the end of 2009 we had not achieved our objective to operate at 60 percent of that plant's design rate. although we were disappointed about the product results we were able to address a number of important issues pertaining to the operation.

The leach circuit, which is shown in this picture, which is the core of the process, is working very well. Metal recoveries have been consistently in the range of 90 percent compared to design recovery of 91.7 percent over the life of mine. Cathode quality is excellent. The grinding and crushing circuit has plenty of capacity to handle the quantities of ore required for all production. On the other hand, we realized that certain parts of the design created unnecessary constraints and needed to be upgraded, particularly the leach and neutralization thickeners, which suffered frequent failures because of poor choices of materials of construction. Because of that we decided to perform a major maintenance shutdown to upgrade the areas of concern.

During the first quarter of this year Las Cruces produced 4,500 tonnes of copper cathode. We successfully completed the 15-day shutdown to improve plant reliability, as planned on March 30<sup>th</sup>. Exceptional rainfall in Santa Lucia meant we could not access the open pit floor until last week, about one month later than we had originally planned. In the meantime, the plant has been running on low-quality ore with high sand and clay

content that have been stockpiled in the early stages of mining. Ore haulage from the pit has now resumed and we will proceed with the implementation of our commissioning plans. We are encouraged by the improvements in the plant and confident that we are on the right track. We now require a period of continued operation with representative ore from the pit to fine-tune the plant and work toward achieving commercial and subsequently full design rate production.

There's no question that the success of Cobre Las Cruces is a necessary milestone as we progress to a potential decision on Cobre Panamá and we are confident Las Cruces' recent progress will result in that milestone being achieved. Which leads to our large porphyry copper development in Panama, the Cobre Panamá. We were very pleased to publish the results of the FEED study a few weeks ago. The study was prepared over a period of almost three years on the back of an earlier feasibility study done in 1997. All elements of the study are based on an expanded scope and allow the incorporation of new and more detailed resource data and are consistent with the much more evolved environmental and social requirements of a modern mining project.

The study indicated that a level rate of return of 15.1 percent at a copper price of US\$2.10 for a resource based mine life for 30 years. In our opinion this makes Cobre Panamá one of the most competitive undeveloped copper projects in the world today. Perhaps the most challenging elements of this project are the environmental and social requirements which we consider to be our highest priority. We will only be prepared to proceed with a project if we can demonstrate that it meets international standards, such as those set out by the International Finance Cooperation. We will use best practice to address identified impacts and work with the local communities and Panamanian authorities to develop appropriate measures to mitigate them.

Work in the community and social fund has already been extensive. We have developed relationships with all neighbouring communities and anticipate that their involvement in the project will continue to grow over time. We have already formed relationships with several NGOs and signed a letter of cooperation with a humanitarian NGO regarding areas of joint activity, and that is not just for Cobre Panamá but with all of Inmet's activities. With the work done to date we sincerely believe that this project will deliver a net benefit to the local communities.

One of the reasons we believe in the potential for this project to deliver sustainable benefits to the communities is the massive resource and the potential for long life of

mine, which could span over more than one generation. Based on the known mineral resources we expect Cobre Panamá's mine life could be significantly longer, longer than the 30 years mine life currently identified based on the mineral reserves. The significant increase in mineral resources following the FEED study, which more than tripled the prior mineral resource, has also provided us with the opportunity to increase the annual throughput by 25 percent while at the same time expanding mine life. Mine production is now set to average 289,000 tonnes of copper for the first 15 years of full production and gold production is expected to be at 108,000 ounces per year during same period. A gain, these figures are based on mineral reserves only and do not include all the measured and indicated mineral resources or any inferred resource.

Cash costs for the project are estimated to be US\$0.78 per pound of copper for the first 15 years of full operation net of by-products metal credits. Finance breakeven cash costs are predicted to be US\$1 per pound and total cost US\$1.23 per pound of copper produced for the same period. On that basis, Cobre Panamá requires a long-term average copper price of US\$2.10 to provide a levered internal rate of return of 15 percent. We believe that the base case at US\$2.10 copper price is conservative and a 15 percent levered return is sufficiently attractive to proceed with the next phases of project development. Total capital costs for the project are estimated to be at US\$4.32 billion, including contingency but not escalation of working capital. Although this is a significant capital figure it is consistent with other projects of this size.

The layout for this project consists of three open pits, several waste dumps, and a tailings management facility which is situated north of the pit. The process plant is essentially in the centre of the pit, which will reduce the cost of hauling ore. Concentrate will be transported to new port via a pipeline. The port will be located on the Caribbean side of the (inaudible) and will be designed to handle approximately 1 million tonnes of copper concentrate per year as well as incoming supplies for the plant.

Financing a project of this magnitude will certainly be a tall task for Inmet. We have developed a finance plan on a 50-50 debt equity basis that assumes an equity contribution for Inmet of US\$1.5 billion, an equity contribution from our Korean partners of US\$625 million, and off-take related debt financing of US\$1.5 billion and other debt and equity in the range of US\$1.375 billion, for total funding of US\$5 billion. Our equity contribution is based on our expected cash balance by the end of this year, including the proceeds from the recent subscription

receipts that we issued to Temasek. Off-take financing is expected to be provided as part of a project facility in conjunction with off-take arrangements with several European and Asian smelters.

Much of the financial structure will depend on Inmet's final ownership in the project and future partnerships. We already have in place an agreement with LS-Nikko Copper, which has the support of KORES Resources, a South Korean government-owned resource company. On an option agreement LS-Nikko Copper has the right to acquire 20 percent of Cobre Panamá within 60 days of Inmet making a decision to proceed with the construction of the project. At that time LS-Nikko will need to pay Inmet \$125 million to catch up on investments made by our supplier to the option agreement and to carry its share of the capital costs going forward. The agreement contemplates that KORES may, at a future point, become a shareholder in the company holding the option. We are very pleased with this agreement and look forward to a long-term relationship as the project progresses.

Another central partnership is reflected in the joint development agreement that we signed with Suez Energy for the power plant needed for the project. Suez Energy is the world's largest independent power provider and under the joint development agreement has agreed to work with us to develop a coal-operated power plant, subject to a final binding power purchase agreement between the parties.

Inmet's philosophy for advancing Cobre Panamá is one of consistent project de-risking. We entered into an arrangement with Teck Resources and acquired Petaquilla Copper and simplified the shareholder structure for the project. In the second step we completed a FEED study to demonstrate the technical and commercial liability of the project. As the next major milestone we look forward to the submission of the environmental and social impact assessment to the Panamanian authorities to address the social and environmental impacts and present a list of mitigating projects. We will also continue our efforts on financing and will explore potential additional partnerships to ensure that Inmet's balance sheet remains robust even under the burden of a major development project. As part of this process we will determine the appropriate level for Inmet's equity interest in the project.

We have also commenced the bidding process for qualified consultants of engineering and construction firms and expect to issue a limited notice to proceed with basic engineering by September of this year. The final decision on whether to proceed with construction will be based on a successful review of the ESIA and completed

financing, which we hope to take place in the second half of 2011. Advancing through several critical milestones we'd expect first concentrate production in 2015 and first concentrate shipment in early 2016. Our priorities of ramping up Las Cruces and advancing Cobre Panamá provide for clear and transparent steps to achieve our strategic objective. I hope you will concur that Inmet is extremely well positioned to grow as a mid-tier copper producer.

As my final comment I would like to take the opportunity to sincerely thank all our employees for their tireless contributions to the success of our Company. Their attitude towards safety and efficiency in running our operations, constructing new mines, finding new development opportunities and reporting our results to shareholders have made Inmet the strong Company it is today. Thank you very much.

That concludes my remarks and I certainly welcome any questions that you may have.

Are there no questions?

Well then what I would suggest is please hang around for a while, have something to drink, a coffee; management will be available and be happy to chat and answer any questions you might have at that point in time. Thank you very much for coming today.