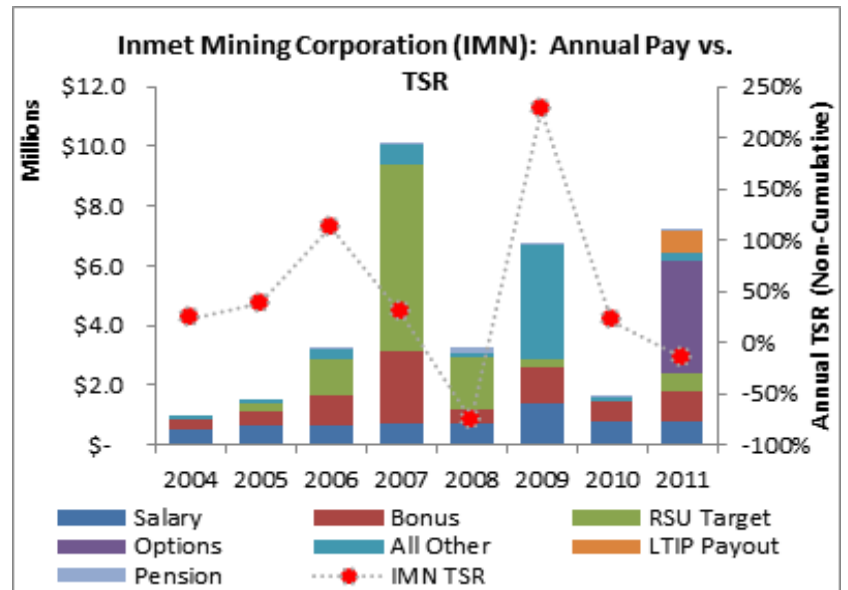
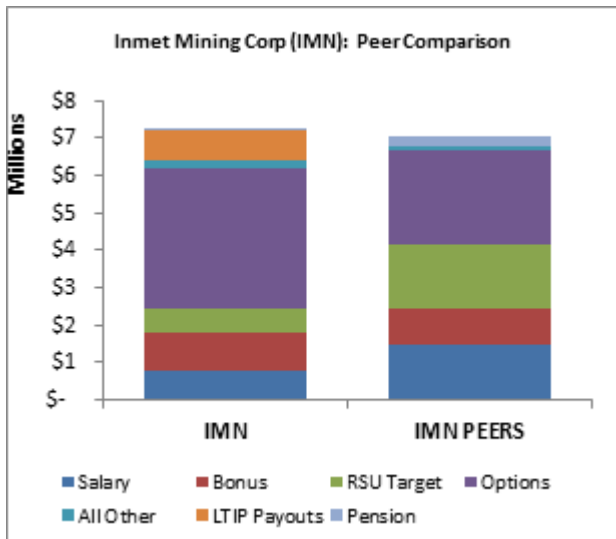


Inmet Mining Corp (IMN): 2004-2011 Pay for Performance

PAY FOR PERFORMANCE SCORE				
1 YEAR = 0	4 YEAR = 2	6 YEAR = 1	8 YEAR = 8	TOTAL: 11/24

Throughout our observation, Inmet's CEO pay has been highly volatile. For example, in Jochen Tilk's first two years as CEO, his total pay jumped from \$1.6 million with no equity grants to \$7.2 million including \$4.3 million in options and RSU. These fluctuations were also not uncommon during Richard Ross' tenure. However, **over our 8-year pay/performance observation, IMN's CEO pay and TSR have moved in the same direction, keeping their Pay for Performance Alignment Score at 11 out of 24.**

In 2011, IMN ranked 2 out of 10 peers in TSR (-14.9%) and 5th and 7th in ROA and ROE respectively. Total pay ranked 2 out of 10, driven by a \$3.7 million option grant. Despite poor share performance in recent years, long-term IMN shareholders have enjoyed significant gains, with an 8-year TSR of 323%



COMPANY'S DISCLOSED PEER FIRMS	
TICKER	NAME
TSE:FM	First Quantum Minerals Ltd
NYSE:FCX	Freeport McMoran Copper & Gold, Inc.
TSE:HBM	HudBay Minerals Inc.
TSE:LUN	Lundin Mining Corp.
FRA:OXR	Oz Minerals Ltd.
ASX:PNA	PanAust Limited
TSE:TCK.B	Teck Resources Limited
LON:ANTO	Antofagasta PLC
LON:KAZ	Kazakhmys PLC

FY 2011 FINANCIAL PERFORMANCE RANKINGS						
#	PEER	TSR	PEER	ROE	PEER	ROA
1	TSE:FM	-6.5%	NYSE:FCX	29.2%	NYSE:FCX	14.2%
2	TSE:IMN	-14.9%	LON:ANTO	19.3%	ASX:PNA	10.9%
3	LON:ANTO	-24.6%	ASX:PNA	16.6%	LON:ANTO	10.3%
4	ASX:PNA	-28.1%	TSE:TCK.B	15.1%	TSE:FM	9.7%
5	FRA:OXR	-35.5%	TSE:FM	13.9%	TSE:IMN	9.1%
6	NYSE:FCX	-36.8%	LON:KAZ	10.7%	FRA:OXR	8.8%
7	TSE:TCK.B	-40.8%	TSE:IMN	10.2%	LON:KAZ	8.1%
8	LON:KAZ	-41.9%	FRA:OXR	9.5%	TSE:TCK.B	7.8%
9	TSE:HBM	-42.7%	TSE:LUN	5.4%	TSE:LUN	4.6%
10	TSE:LUN	-46.7%	TSE:HBM	-8.5%	TSE:HBM	-6.3%
11						

CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS										
	PEER	TOTAL PAY	PEER	SALARY	PEER	BONUS	PEER	TOTAL CASH	PEER	TOTAL EQUITY
1	TSE:TCK.B	\$10,800,418	LON:ANTO	\$3,400,420	TSE:TCK.B	\$1,451,900	LON:ANTO	\$3,400,420	TSE:TCK.B	\$7,353,750
2	TSE:IMN	\$7,220,491	TSE:TCK.B	\$1,350,000	LON:KAZ	\$1,134,040	TSE:TCK.B	\$2,801,900	TSE:IMN	\$4,361,898
3	LON:KAZ	\$5,346,084	LON:KAZ	\$1,335,471	TSE:IMN	\$1,020,000	LON:KAZ	\$2,469,511	LON:KAZ	\$2,724,310
4	LON:ANTO	\$3,482,513	TSE:LUN	\$1,196,207	TSE:FM	\$880,272	TSE:FM	\$1,832,251	TSE:LUN	\$625,000
5	TSE:FM	\$2,485,069	TSE:FM	\$951,979	TSE:HBM	\$701,146	TSE:IMN	\$1,820,000	TSE:FM	\$622,357
6	TSE:LUN	\$2,303,294	TSE:IMN	\$800,000	TSE:LUN	\$482,087	TSE:LUN	\$1,678,294	TSE:HBM	\$551,383
7	TSE:HBM	\$2,210,219	TSE:HBM	\$768,800	LON:ANTO	\$0	TSE:HBM	\$1,469,946	LON:ANTO	\$0
8	ASX:PNA	\$0	ASX:PNA	\$0	ASX:PNA	\$0	ASX:PNA	\$0	ASX:PNA	\$0
9	FRA:OXR	\$0	FRA:OXR	\$0	FRA:OXR	\$0	FRA:OXR	\$0	FRA:OXR	\$0
10	NYSE:FCX	\$0	NYSE:FCX	\$0	NYSE:FCX	\$0	NYSE:FCX	\$0	NYSE:FCX	\$0
11										

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

1-YEAR SCORE	4-YEAR SCORE	6-YEAR SCORE	8-YEAR SCORE
A = 3	A = 4	A = 7	A = 10
B = 3	B = 3	B = 5	B = 8
C = 2	C = 2	C = 3	C = 5
D = 1	D = 1	D = 1	D = 3
E = 0	E = 0	E = 0	E = 0

