

TRANSCRIPT

OF AN

INTERVIEW WITH

MR DAVID BAKER, MD

LAFAYETTE MINING LIMITED

Rapu Rapu Project

Permanent Lifting Order

DATE: Friday, 09 February 2007

Present:

Facilitator.

Mr David Baker, MD, Lafayette Mining Limited.

15 INTERVIEWER: Boardroom Radio today welcomes Managing
Director of Lafayette Mining, David Baker.

Thank you for joining Boardroom Radio, David.

20 MR BAKER: That's my pleasure.

INTERVIEWER: As listeners are aware, mining was ceased at
your Philippines operations pending a decision of
the Pollution Adjudication Board who met to
25 discuss the Order overnight. David, what were
the outcomes of the decision?

MR BAKER: Well, I'm delighted to say that the Pollution
Adjudication Board resolved to issue a final
30 lifting order, which terminated all proceedings
against our project, on the basis that we had
fully complied with all the conditions and
requirements imposed by the Department of
Environment and Natural Resources.

35 INTERVIEWER: And, what is the effect of the Order?

MR BAKER: Well, it authorizes the immediate resumption of

all mining and processing activities at our plant on Rapu Rapu. We can recommence production of copper and zinc concentrates right away.

5 INTERVIEWER: Now that you've have this favourable decision, what are the key next steps at Rapu Rapu?

MR BAKER: Well, we'll resume the ramp-up of production
10 from the base metals plant. We expect to be able to resume production at the levels we were achieving under the Temporary Lifting Order immediately before Typhoon Reeming, you know, hit the island at the end of November last year. We
15 have successfully completed the first phase of the repair work following that typhoon, and it is our operational readiness was really confirmed by the Department of Environment and Natural Resources as an important step before they were
20 comfortable with issuing the final lifting order.

The second phase involves some repairs to some of the lower priority structures. We've got some work to do on the marine facility there, which
25 still does involve some further design development to determine, you know, what level of sophistication we ought to apply to the marine structures there, given that, you know, it was a one in one hundred year event. It has
30 highlighted the importance of enhancing our safety structures for our staff on site, so another aspect will be to substantially improve the typhoon shelter facilities.

35 Looking a little bit further ahead, we're very excited about getting our exploration program under way as soon as possible. We have a program that will target the in-pit areas with an

expectation that we ought to be able to confirm that the ore body extends at depth and along strike. And, if we can confirm that, that will be a major benefit for us, potentially extending the mine life and all the rest of it.

Standing back a little bit, I think the importance of the event yesterday, not only from Lafayette's point of view, it had implications really for the broader mining industry in the Philippines.

I think there's no doubt that our situation is being closely followed by the international mining community, and this development I think will add significant momentum to the level of interest in the Philippines as a very prospective minerals province. So, you know, we're delighted now that we can move forward, and we can begin to realize the potential of the project on Rapu Rapu, and await with great interest, the heightened investment activity in the Philippines.

INTERVIEWER: Lafayette Mining, David Baker, thank you for your time.

MR BAKER: That's my pleasure.

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