

INMET

MINING

Inmet Mining Corporation

Suite 1000, 330 Bay Street
Toronto, Canada M5H 2S8

Tel: (416) 860-3968

Fax: (416) 368-4692

Web: www.inmetmining.com

PRESS RELEASE

FOR IMMEDIATE RELEASE

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INMET ANNOUNCES PNG APPROVAL OF OK TEDI ARRANGEMENTS

Toronto, Canada: (TSE: IMN) – Inmet Mining Corporation announced today that the Government of Papua New Guinea (“PNG”) has passed legislation approving the terms of BHP Billiton’s withdrawal from the Ok Tedi copper and gold mine in the Western Province of PNG. The legislation, the Ninth Supplemental Agreement, also provides for a new environmental regime for Ok Tedi and will give effect in law to the recently negotiated Mine Continuation Agreements with landowners in the Western Province.

“We are very pleased with these arrangements and the leadership demonstrated by the Government of PNG. We believe that this Agreement will ensure the long-term continuation of Ok Tedi’s operations,” said Richard Ross, President and CEO of Inmet. “Ok Tedi is a competitive world-class mine with the potential to generate significant cash flow, while committing to responsible environmental mitigation measures and social programs.”

The main elements of this Agreement are as follows:

- BHP Billiton will transfer its 52 per cent equity interest in Ok Tedi to the newly created PNG Sustainable Development Program Company (“SDPC”). The SDPC will be responsible for redirecting dividends from its 52 per cent interest in Ok Tedi to short and long-term development programs that will benefit the people of PNG, particularly those in the Western Province. There will be clearly defined corporate governance rules relating to decision-making, distribution of funds and public reporting. BHP Billiton will also provide financial support to the SDPC for three years.

Inmet will retain its 18 per cent interest and the Government of PNG its 30 per cent interest in Ok Tedi.

- A new environmental regime and long-term mine closure planning process is provided for in the Agreement. As part of this regime, Ok Tedi has submitted a change notice, which will convert the test dredging operation into a permanent one. This will help mitigate the future impact of aggradation build-up in the Ok Tedi and Fly River systems. In addition, Ok Tedi will establish a tax-deductible fund to set aside money for reclamation of the mine site at the end of the economic life of the mine.

- Mine Continuation Agreements (“MCA’s”) have been signed with substantially all of the communities affected by the mines continued operation. The MCA’s are an expression of the informed consent of the affected communities to the mine’s continued operation and acceptance of an integrated set of measures to compensate them for the mine’s impact on their communities. Ok Tedi and its shareholders are also released from all demands and claims associated with future environmental impacts.
- The transition from BHP Billiton’s management of Ok Tedi to an independently run company will be facilitated by the retention of many of the senior management of Ok Tedi. The Board of Ok Tedi will be comprised of six individuals; one director from each of the SDPC, the Government of PNG and Inmet, and the addition of three independent qualified directors with international mining backgrounds.
- Ok Tedi has concluded a three-year U.S.\$120 million working capital facility with an international bank, which will be used to fund working capital needs as required. In addition, BHP Billiton has provided a facility to pre-purchase concentrates in the event of a drought.

One of the litigants in the current proceedings against BHP Billiton and Ok Tedi has raised legal challenges to this legislation. This could impact on the timing of the effective date of BHP Billiton’s withdrawal, which is currently expected to be December 31, 2001.

About Inmet:

Inmet is a Canadian based international mining company. Inmet’s mining operations produce copper, zinc and gold, and Inmet’s growth strategy is focused on finding quality base metal reserves. Inmet’s current operating base consists of three competitive mining operations: Çayeli, Troilus and Ok Tedi.

For further information, contact:

Richard Ross
President and Chief Executive Officer
416-860-3974

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