

PRESS RELEASE

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DECEMBER 19, 2001

**OUTOKUMPU AND INMET ESTABLISH ALLIANCE,
INCLUDING SALE OF PYHÄSALMI MINE TO INMET**

Espoo, Finland and Toronto, Canada: Outokumpu Oyj of Finland and Inmet Mining Corporation of Canada announced that they have entered into an agreement to create an alliance. This alliance will include the sale by Outokumpu to Inmet of certain of its mining assets. The companies will also cooperate in the area of mining and mineral processing technology, smelting and refining and the development of future mining projects. The transaction is expected to close in the first quarter of 2002.

A summary of the alliance is as follows:

Mining Assets Purchased by Inmet

- Pyhäsalmi mine in Finland
- Portfolio of exploration properties in Finland

Off-take Agreement

- Life-of-mine smelter contracts with Outokumpu for copper and zinc concentrates from the Pyhäsalmi mine
- Agreement to cooperate on smelting/refining for other Inmet mines

Technology Alliance

- Inmet and Outokumpu to cooperate on mining and mineral processing technology

Inmet Board Representation

- Outokumpu to nominate one director to Inmet's Board of Directors

Consideration

As consideration for the above assets and agreements, Inmet will deliver to Outokumpu at closing:

- €45 million in cash;
- a €14 million 10-year 6 per cent promissory note; and
- 4 million Inmet common shares, issuance of which is subject to regulatory approval.

The agreed issue price for Inmet's common shares is C\$4.50 per share. Outokumpu has agreed to a minimum three-year hold period on the Inmet shares. The cash portion of the consideration will be financed by Inmet through a U.S.\$40 million bank facility. The €14 million promissory note is a subordinated note with no principal repayments until maturity.

“This transaction fits with our publicly stated strategy, to exit base metal mining and to release capital from those assets by selling our mining operations to credible mining operators, while at the same time, securing long-term raw material supply for our smelters and providing enhanced opportunities for our technology division. The sale of Pyhäsalmi will have a neutral effect on our result in 2002. I look forward to continuing to build our relationship with Inmet to the benefit of both companies,” said Risto Virrankoski, Deputy Chief Executive Officer of Outokumpu.

Richard Ross, President and Chief Executive Officer of Inmet added: “The acquisition of Pyhäsalmi is consistent with our growth objective of acquiring long-life, low-cost base metal production. In addition to the excellent assets we are acquiring and experienced operating personnel at Pyhäsalmi, our relationship with Outokumpu provides Inmet with access to long-term smelting and refining capacity and the industry leading technical expertise of the Outokumpu Group. We believe this strategic relationship provides Inmet with competitive advantages in relation to our peer group in creating value for our shareholders”.

Pyhäsalmi Mine

Inmet will acquire 100 per cent of the Pyhäsalmi copper and zinc mine located in central Finland. Outokumpu just completed the development of a new resource at Pyhäsalmi with proven and probable ore reserves of 17.2 million tonnes grading 1.2 per cent copper, 2.8 per cent zinc, 0.4 grams per tonne gold and 39 per cent sulphur. Based on these reserves and current production rates, Pyhäsalmi is expected to operate until 2015. The new mine includes a newly constructed 1,450 metre deep, fully automated hoisting shaft. The Pyhäsalmi operation employs the latest technology, processing at a rate of 1.2 million tonnes of ore per annum at a total cost of €23 per tonne of ore milled, with just over 200 employees. Average annual production of copper and zinc in concentrate is expected to be approximately 14,000 and 30,000 tonnes, respectively. Cash operating costs per pound of copper, net of by-product credits, are in the lowest quartile of world-wide copper production. The resulting copper and zinc concentrates are of high quality, with grades of about 30 per cent copper and 55 per cent zinc, and benefit from low transportation costs to neighbouring smelters. The mine is also Europe's leading producer of high purity pyrite concentrate. The majority of the pyrite is sold under long-term contracts to the fertilizer industry in Finland, generating approximately 20 per cent of net smelter returns thereby providing a steady source of cash flow.

Finnish Exploration Properties

In addition to the Pyhäsalmi mining concession, Inmet is purchasing over 3,000 hectares of prospective exploration claims. Three satellite deposits have been discovered and mined by Pyhäsalmi over the last 16 years. These smaller but generally higher grade deposits have contributed significantly to metal production at Pyhäsalmi in certain years. The potential to discover additional satellite deposits or even an entirely new resource could add significant value to the Pyhäsalmi mine.

Technology and Off-take Alliance Agreement

Outokumpu and Inmet have agreed on a technology and off-take alliance providing for long-term cooperation and mutual benefit. Inmet will benefit from access to Outokumpu's world-class mining and mineral processing technology. The companies will enter into life-of-mine off-take agreements for copper and zinc concentrate from Pyhäsalmi, providing Outokumpu with a secure source of feed for its smelters and Inmet with a secure local destination for its product at market terms. Outokumpu and Inmet will also cooperate on smelting and refining contracts for current and future Inmet assets. In line with the off-take alliance agreements, the provision of concentrate related financing by Outokumpu to assist Inmet in developing new copper and zinc mines will be considered as the development of new production sources for Inmet and new sources of smelter feed for Outokumpu are strategic for both parties.

Board Representation

Jyrki Juusela, Chief Executive Officer and President of Outokumpu, will join Inmet's Board of Directors following the closing of this transaction. Inmet and its shareholders will benefit from Dr. Juusela's global perspective and experience.

Bank Financing Facility

Inmet has secured a U.S.\$40 million revolving bank facility arranged by CIBC World Markets with Macquarie Bank Limited and Standard Bank London Limited acting as co-arrangers, which provides Inmet with a source of financing for the cash portion of the purchase price, subject to conditions that are customary for a facility of this type. No principal repayments are required on the facility until July 1, 2003 and the final maturity is December 31, 2006.

Outokumpu

Outokumpu is a leading metals and technology company, which specializes in non-ferrous metals business; fabricated copper products, copper and zinc metals production and related technology. Currently, Outokumpu also holds a 55 per cent ownership interest in the world's second largest stainless steel producer AvestaPolarit Oyj Abp.

Outokumpu serves the international market with more than 90 per cent of its net sales generated outside Finland. The Outokumpu Group's net sales are €5 billion and it employs some 18,500 people, of which more than half outside Finland in over 30 countries. Outokumpu Oyj is listed on the Helsinki Exchanges.

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:

Risto Virrankoski

Deputy Chief Executive Officer
Outokumpu Oyj

Tel: +358-9-421-2121

Fax: +358-9-421-3890

e-mail: risto.virrankoski@outokumpu.com

Richard Ross

President and Chief Executive Officer
Inmet Mining Corporation

Tel: +1-416-860-3974

Fax: +1-416-361-0884

e-mail: rossr@inmet-toronto.com

INMET CONFERENCE CALL

Mr. Richard Ross will discuss recent events at Inmet, including today's announcement, at 10:30 a.m. (ET) on Thursday, December 20, 2001. You can listen to this live audio simulcast through the internet, at www.cnw.ca, under Webcast Events Calendar, or www.inmetmining.com under What's New.